



Daily Report

East Asia

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NOTICE TO READERS: For the three months beginning in November, material formerly appearing in the JPRS EAST ASIA/KOREA and EAST ASIA/JAPAN REPORTS will instead be published on a trial basis in the FBIS EAST ASIA DAILY REPORT.

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Japan

Soviet Official Says Military Contact Welcomed
OW2810232688 Tokyo KYODO in English
2302 GMT 28 Oct 88

[Text] Moscow, Oct. 29 KYODO—Aleksey Lizichev, chief of the Main Political Directorate of the Soviet Navy and Army, said the Soviet Union welcomes military exchange with Japan "at any level."

Lizichev also said the second phase of the Soviet troop withdrawal from Afghanistan will begin on November 15 and take three months as originally scheduled.

Lizichev made no criticism about Japan's defense spending in a joint interview on Thursday with KYODO NEWS SERVICE and THE WASHINGTON POST.

He said it is up to the Japanese people to determine how much they want to spend for the defense of their own nation.

Lizichev, however, said he would like to know which direction Japan is proceeding militarily against the backdrop of various arms control moves in the world.

He said the Soviet Union welcomes contacts between military personnel with Japan as the Soviets have been doing with the United States and West Germany.

"There is no problem at all for the military people to meet, whatever the level," he said.

Turning to Afghanistan, Lizichev said the Soviet Union has also completed the first phase of troop withdrawal and the second phase of pullout is expected to proceed as scheduled.

FRG's Bangemann Assures Takeshita on EC
LD3110085288 Hamburg DPA in German 0633 GMT
31 Oct 88

[Excerpt] Tokyo (DPA)—Federal Economics Minister Martin Bangemann (Free Democratic Party) Monday assured Japanese Prime Minister Noboru Takeshita that as of next year he would, as an EC commissioner, energetically fight trends to develop the Community into a protectionist fortress. Bangemann, who arrived in Tokyo Sunday for a 3-day visit to Japan, paid a courtesy visit to Takeshita.

The creation of a single European market in 1992 would not lead to greater external protectionism, said Bangemann, who is to relinquish his post at the end of this year to become an EC commissioner in Brussels. Competent Japanese officials said that Bangemann promised to maintain particularly close contacts with partner states and to take their worries and concerns seriously.

Takeshita promised that there were no plans to set up an economic bloc in the Asia-Pacific region, since the developmental state of these countries was too varied. [passage omitted]

U.S. Trade Representative Rejects Rice Petition
OW2910013188 Tokyo KYODO in English
2319 GMT 28 Oct 88

[By Shiro Yoneyama]

[Text] Washington, Oct. 28 KYODO—U.S. Trade Representative [USTR] Clayton Yeutter, rejecting a Section 301 petition against Japan's rice import curbs, urged Japan Friday to make a pledge of "long overdue reforms" by early December.

Overcoming election year pressure, Yeutter announced the decision on the rice issue which has severely strained political and economic relations between the world's two largest industrial democracies.

"Japan will have an opportunity to demonstrate its commitment to resolve the rice issue in the context of the Uruguay Round agricultural negotiation" at the time of a trade ministers meeting in Montreal from December 5, the U.S. trade ambassador said.

The meeting brings together the trade ministers of the 96 member countries of the General Agreement on Tariffs and Trade (GATT), including the U.S. and Japan, to conduct a midterm review of the Uruguay Round which was launched in 1988 and was due to be completed in 1990.

"I am also putting Japan on notice that if it does not permit progress on this (rice) issue" at the Montreal meeting, Yeutter warned, "I will invite an immediate resubmission of this petition."

Yeutter's announcement at a packed press conference came shortly after he held a lengthy meeting with representatives of the Rice Millers' Association (RMA) and the Rice Council for Market Development which had filed the Section 301 petition as a test case of the newly enacted Omnibus Trade Law.

"We were shocked and dismayed," a grim-faced RMA President Stephen Gabbert told reporters.

Gabbert called the petition's rejection "indefensible" and said the U.S. Government "failed the test" to fight against unfair trade practices.

He said he will await the outcome of the GATT-sponsored meeting in Montreal before determining whether the RMA will refile a Section 301 petition.

Both Yeutter and Gabbert declined to speculate on the impact of Friday's decision on the presidential campaign in which the huge U.S. trade deficit with Japan and other trading partners has emerged as one of the hot issues.

In rejecting the 301 petition again, Yeutter emphasized that Japan's near-total ban on rice imports is "indefensible" and "intolerable" and sought "short-term measures that might be agreed upon (in Montreal) as a down payment on long-term (agriculture) reform."

Acceptance of the petition at this time, he said, "contributes negatively to the agricultural negotiations of the Uruguay Round."

"Our fundamental objective is to open up the Japanese rice market," Yeutter said.

He noted that Prime Minister Noboru Takeshita has given President Ronald Reagan assurances that Japan is committed to including rice on the agenda for the Uruguay Round and that "market access on rice is negotiable."

"I will expect Japan to assert its willingness to negotiate and implement, in cooperation with its trading partners, long overdue reforms in policies affecting agricultural trade," Yeutter added.

In the petition, the RMA and the Rice Council, an industry group of rice farmers, rice millers and other segments of the domestic rice industry, had urged the U.S. to conclude an agreement with Japan on quotas which would allow foreign rice producers to supply 10 percent of the Japanese demand for rice within four years.

Yeutter asserted that he rejected the petition solely on economic grounds.

Yeutter said he will reconsider a Section 301 petition before the end of the Reagan administration if talks on farm reform in Montreal fail.

The U.S. State Department, which, together with the U.S. Embassy in Tokyo, was under fire from the RMA and the Rice Council for allegedly putting pressure on the USTR to reject their petition, countered that the Yeutter decision did not represent "an endorsement of Japan's policy of blocking imports of rice."

"We believe the Uruguay Round negotiations offer the best option to achieve our objective of gaining access to Japan's rice market," the department said in a statement.

Republican Sen. Pete Wilson of California, one of America's major rice-producing states, expressed disappointment at the petition's rejection.

"Whether it is computer chips or citrus, the Japanese have played Uncle Sam for Uncle Sam over and over again," said Wilson.

Wilson was one of the 34 senators who sent Yeutter a letter October 3, asking him to accept the petition.

Texas Sen. Lloyd Bentsen, the Democratic vice presidential hopeful, was among the 34 senators.

Vice President George Bush, the Republican presidential nominee, had also supported the petition in his California speech last month.

Rep. Robert Matsui, a California Democrat, sharply criticized Yeutter's decision, arguing it will cost his state's rice farmers some 100 million dollars in lost revenue over a four-year period.

"It's difficult explaining to a local rice farmer, who sees his neighborhood store filled with Japanese imports, why he can't sell his product overseas," the Japanese-American House member said. "It's a matter of fairness."

Matsui was one of two California Congressmen to sign a letter to Yeutter in September asking him to accept the petition.

Union on 'Conditional' Rejection

OW2910051088 Tokyo KYODO in English
0322 GMT 29 Oct 88

[Text] Tokyo, Oct. 29 KYODO—The Zenchu, Japan's Central Union of Agricultural Cooperatives, expressed regret Saturday at a "conditional" rejection by the U.S. trade representative (USTR) of a Section 301 petition against Japan's rice import curbs.

Mitsugu Horiuchi, chairman of Zenchu, said in a statement that it is regretful that the USTR urged Japan to pledge that it will initiate agricultural trade reforms as a condition in rejecting the petition.

In showing disappointment over Yeutter's decision, a senior Zenchu official said Yeutter's decision is merely aimed at achieving successful negotiations in Montreal and Geneva for obtaining Japan's commitment toward broader farm trade reforms.

Meanwhile, local Japanese farmers unanimously voiced concerns over the U.S. decision as well as the future course of rice talks between U.S. and Japan, saying the U.S. may eventually force Japan to make significant concessions for the liberalization of the Japanese rice market.

U.S. Trade Representative Clayton Yeutter rejected Friday a petition filed by the U.S. Rice Millers' Association (RMA) for an investigation into possible U.S. trade law violations of Japan's rice import restrictions.

In announcing the decision, Yeutter demanded, however, that Japan be ready to negotiate its farm trade reforms at an international trade ministers' meeting in Montreal, Canada in early December.

He also warned if Japan excludes the rice issue from the agricultural reform agreements at Montreal's mid-review session or at the Uruguay Round of global trade negotiations in Geneva, then the U.S. would be prepared to reactivate the Section 301 probe and rule on it under the Reagan administration.

More on 'Recruit Insider Stock Trading Scandal'

Miyazawa 2d Apology

OW210115088 Tokyo KYODO in English
0745 GMT 27 Oct 88

[Text] Tokyo, Oct. 27 KYODO—Finance Minister Kiichi Miyazawa apologized on Thursday for the second time for his involvement in the recruit insider stock trading scandal.

Miyazawa, one of a dozen politicians implicated in the scandal, said that his secretary Tsuneo Hattori allowed businessman Yasufumi Kawai in 1986 to use Miyazawa's name in stock transactions.

The finance minister said he was sorry for failing to supervise his secretary properly.

Besides Miyazawa, Prime Minister Noboru Takeshita, former Prime minister Yasuhiro Nakasone, Liberal Democratic Party Secretary General Shintaro Abe and Democratic Socialist Party leader Saburo Tsukamoto are among the politicians involved.

Opposition parties have focused their attack on Miyazawa, whose name was used in the transactions.

Miyazawa was speaking at a House of Representatives tax system committee session which discussed the stock trading scandal.

The finance minister said Kawai purchased 10,000 Recruit Cosmos shares in Miyazawa's name for 30 million yen in September 1986. Recruit Cosmos is a subsidiary of Recruit Co., a labor and housing information business.

Kawai sold the shares the following month in Hattori's name for 52.7 million yen after the Recruit Cosmos stock was designated as an over-the-counter issue.

Senior members of the tax system committee visited the founder of Recruit, Hiromasa Ezoe, at his bedside on October 12 to question him about the scandal.

At that time, Ezoe declined to identify those who had purchased and resold Recruit Cosmos shares for a large profit.

Miyazawa previously apologized in the Diet on October 17 for allowing his name to be used to buy the controversial stocks.

Nakasone Aide Involved

OW2910055888 Tokyo KYODO in English
0440 GMT 29 Oct 88

[Text] Tokyo, Oct. 29 KYODO—Takao Fujinami, the chief cabinet secretary to former Prime Minister Yasuhiro Nakasone, admitted Saturday one of his aides has made more than 24 million yen in profit through suspected insider trading in the growing Recruit Cosmos share dealing scandal.

Fujinami said his aide, Eiji Tokuda, bought 12,000 pre-listed shares of Tokyo-based real estate firm Recruit Cosmos in September 1986 at 2,500 yen per share and sold them at more than 5,000 yen a share as soon as they were publicly traded two months later.

This translated into a profit of more than 24 million yen in capital gains.

Hideo Watanabe, a Lower House member and a member of Nakasone's faction in the ruling Liberal Democratic Party, meanwhile, said his secretary had also received 10,000 shares of Recruit Cosmos.

Recruit Cosmos, owned by Recruit Co., a job and information firm, is at the center of a growing scandal involving secret sales of recruit stocks to politicians, senior government bureaucrats and influential media figures.

A senior Recruit Cosmos official has also been arrested for allegedly trying to bribe a Diet member involved in probing the scandal.

Takeshita Attends SDF Memorial Service

OW2910022788 Tokyo KYODO in English
0121 GMT 29 Oct 88

[Text] Tokyo, Oct. 29 KYODO—Prime Minister Noboru Takeshita attended a memorial service in Tokyo in honor of 1,520 Self Defense Force (SDF) members who died on active duty, marking the first time in 26 years that a prime minister has participated in such a ceremony.

Takeshita was the third prime minister to attend an SDF memorial service. The last premier to participate in the ceremony was Hayato Ikeda in 1962. Nobusuki Kishi was the first prime minister to attend the service in 1956.

Takeshita delivered a speech at the ceremony held at SDF's Ichigaya Base in which he said the SDF had protected and preserved Japan's security and independence ever since it was established in 1954.

"We shall remember and pray for those who lost their lives while serving these causes," he said.

The Defense Agency conducted the service despite its policy to cancel other activities in deference to the ailing Emperor Hirohito.

Yoshiki Tsuchiya, president of the House of Councilors, also attended the ceremony.

Korean Crew Rescued From Sunken Freighter
OW2910025288 Tokyo KYODO in English 0221 GMT 29 Oct 88

[Text] Aomori, Oct. 29 KYODO—A 1,500-ton Panamanian freighter with an all-Korean crew sank off the eastern Japanese coast early Saturday [29 October] after being battered by rough seas, Japanese maritime safety authorities said.

They said the 23-member crew was lifted to safety by a Japanese Self-Defense Force helicopter before the ship capsized and sank shortly after midnight.

The skipper of the 1,500-ton Rainbow 3 reported that the vessel began taking in water at a point about 70 kilometers east of Shiriya Point at the northern tip of Aomori at around 9 p.m. Friday.

The sea was rough in the area with giant waves reaching 3 meters high, weathermen said.

The Rainbow 3 was on its way back to Pusan in South Korea after loading 1,400 tons of frozen squid from fishing vessels in the northern Pacific, the maritime authorities said.

Grant-in-Aid to Honduran Medical Facilities
OW2810010788 Tokyo KYODO in English 0043 GMT 28 Oct 88

[Text] Tokyo, Oct. 28 KYODO—Japan will extend up to 1,642 million yen in grant-in-aid to Honduras to help the country develop medical facilities, the Foreign Ministry said Friday [28 October].

The two governments exchanged diplomatic documents Thursday (local time) in the Honduran capital of Tegucigalpa, according to the ministry.

Government To Send Emergency Aid to Nicaragua
OW3010085788 Tokyo KYODO in English 0637 GMT 29 Oct 88

[Text] Tokyo, Oct. 29 KYODO—The Japanese Government decided Saturday [29 October] to send 20 million yen worth of relief goods to Nicaragua, where Hurricane Joan recently left some 80 people dead.

The Foreign Ministry said relief goods will be sent to Nicaragua through the Japanese Red Cross.

Kin Town Rally Condemns U.S. Military Exercises
OW2710095188 Naha RYUKYU SHIMPO in Japanese 24 Oct 88 Morning Edition p 1

[Text] Kin Town—Holding up the slogans "Military Bases Are the Source of All Troubles" and "There Is No Way But To Remove All the Bases To Defend Our Peaceful Lives," the "Kin Town People's General Rally Against U.S. Military Exercises" began at the Igei District Ground at 1600 on 23 October to protest successive stray bullet incidents involving a U.S. military live-fire range.

Approximately 700 people, from all walks of life both inside and outside the town, participated in the rally, including family members, women, aged people, and representatives of political parties. The participants wore red headbands carrying such slogans as "Total removal of military bases" and "Return beautiful greenery to us." They looked angry and filled with indignation against the military bases' existence. The rally adopted the "Resolution Protesting Damages Inflicted by U.S. Military Exercises," which called for an immediate and total removal of U.S. military bases. It also decided to send a letter of appeal to the U.S. President, the prime minister, the director general of the Defense Agency, the prefectural governor and the U.S. military coordinator in Okinawa, informing them of the danger to which residents' lives are exposed.

The Kin Town's people indignation is reaching its limit in the face of an unusual situation in which as many as seven bullets have been found. Glancing at Onnadake, where the firing range is located, the participants, transcending differences in their ages and political views, either conservative or reformist, took part in the rally to defend human life, properties, and beautiful greenery.

In his opening speech, Tsuneo Nakama, chairman of the General Rally Implementation Committee (chief of Igei District), said bitterly: "If one or two bullets are found, it may be regarded as the result of accidental firing. But we have found as many as seven bullets, and we can not but think that they were fired directly at the town. Whenever an incident or accident occurs, we ask the authorities concerned to take steps to prevent reoccurrences. However, no preventive measures have thus far been taken. The military bases are the source of all troubles."

After making a report regarding successive incidents, Kin Town Mayor Kikuo Nakama expressed clearly his "antibase" stand, saying that the only way to eliminate incidents and accidents is to immediately remove the firing range."

The rally was also attended by various representatives of political parties, including Kosuke Uehara (JSP), house of representatives member; Seichu Kikuyama (LDP), prefectural assembly member; Saneyoshi Furugen, member of the JCP Presidium; Komei Hanashiro Komeito,

Okinawa Municipal Assembly member; and Zenjiro Yamashiro, secretary general of the Okinawa Socialist Masses Party. They made speeches in support of the protest.

The rally adopted a resolution sternly criticizing that no remedial measures have been taken to prevent damage by the military bases, attributing this to "a weak political stance of the state and the prefecture and the U.S. military's occupationist concept toward the Okinawan people and lack of concern for human life."

Igei Demands Bases Removal

OW2810145588 Naha NHK General Television
Network in Japanese 0315 GMT 27 Oct 88

[Text] In connection with the incident in which stray bullets of the U.S. Forces landed in Igei District, representatives of Igei District visited the Naha Defense Facilities Administration Bureau [DFAB] this morning and demanded that U.S. bases be immediately and completely withdrawn.

The 10-member Igei District delegation led by District Chief Tsuneo Nakama visited the Naha DFAB office this morning and made a request to Bureau Chief Yanai, who received the delegation, that the bases be immediately and completely withdrawn. At the meeting, the delegation members explained that live shell firing practices are held days and nights in Kin Township; that this fact indicates the national and prefectural governments' weak political position; and that the U.S. forces are acting like occupation forces with disregard for human life. They added that such a situation should never be allowed to exist. In reply, Bureau Chief Yanai said that he would study countermeasures after conducting a thorough investigation into the cause of the incident.

Unsatisfied with Chief Yanai's reply, the delegation members insisted that the removal of the bases is the only way to prevent a repetition of similar incidents. However, Chief Yanai merely replied that he understood their feelings in demanding the removal of the bases but that he felt it was imperative to first investigate the true causes of the incidents.

Meanwhile, on 24 October, six JSP members of the prefectural assembly brought charges against those involved, including the coordinating officer of the four branches of the U.S. forces stationed in Okinawa, for alleged damages to property and other offenses in connection with the stray bullets that have been successively found in Igei District of Kin Township and are believed to have been fired by the U.S. forces. The prefectural police headquarters decided this morning to officially accept the charges.

Police Accept Complaint

OW2710142588 Tokyo KYODO in English 1051 GMT
27 Oct 88

[Text] Naha, Oct. 27 KYODO—Okinawan police authorities formally accepted on Thursday [27 October] complaints of damage from firearms filed by the Japan Socialist Party delegation to the prefectural assembly against the U.S. military.

So far eight slugs fired from M-16 rifles and one from an M-249 machinegun have been discovered. Employees at a brewery and a nearby gasoline station found the first stray bullets on October 15 after hearing shots fired near their premises.

U.S. Marines were practicing at Camp Hansen firing range Number 6 about 1 kilometer from the sites with M-16's and M-249's when the shots were heard. Okinawa police authorities are comparing the slugs with the firing lines involved.

A stray bullet fired by a U.S. soldier hit a moving car in Okinawa a year ago.

Governor Requests Halt to Drills

OW2810101088 Tokyo KYODO in English 0844 GMT
28 Oct 88

[Text] Tokyo, Oct. 28 KYODO—Okinawan Governor Junji Nishime called on senior Defense Agency officials Friday [28 October] to request a halt to U.S. Marine firing practices using live ammunition at Camps Hansen and Schwab in Okinawa.

The governor made the visit to Defense Agency Director General Kichiro Tazawa and Defense Facilities Administration Agency head Hisakatsu Ikeda in response to the discovery of stray bullet slugs in the town of Kin near a Camp Hansen firing range.

A total of eight rifle slugs and one from a machine gun have been found since the first two strays were located on October 15.

Anxiety over U.S. military shooting drills has led to the passage in the Okinawan legislature of a resolution calling for the dismantling of the firing ranges.

The visit to the Defense Ministry follows requests made Thursday to Foreign Minister Sosuke Uno to prevent a recurrence of such incidents.

North Korea

U.S. Said Perpetrating Aerial Espionage
SK2910044588 Pyongyang KCNA in English
0443 GMT 29 Oct 88

["U.S. Imperialists' Ceaseless Aerial Espionage"—
KCNA headline]

[Text] Pyongyang October 29 (KCNA)—The U.S. imperialists on October 28 infiltrated a "U-2" strategic reconnaissance plane twice into the air above the economic waters of our country in the East Sea and committed aerial espionage against the northern half of Korea, according to military sources.

In the latter half of October alone the aggressors let fly the "U-2" on eight occasions in the sky above the military demarcation line area to spy on the north.

They are ceaselessly perpetrating aerial espionage against our country as part of their frantic war provocation moves.

Article Criticizes 'Two Koreas Plot'
SK2310114588 Pyongyang Domestic Service
in Korean 0043 GMT 22 Oct 88

[NODONG SINMUN 22 October special article: "Let Us Frustrate the Two Koreas Plot of the Splittists at Home and Abroad"]

[Text] The two Koreas plot of splittists at home and abroad has now reached a very dangerous stage. Instigated by the U.S. imperialists and the Japanese reactionaries, the South Korean puppet clique is presenting splittist proposals, such as United Nations entry, cross-recognition, and the so-called northward policy, in international arenas, including the United Nations, in a desperate attempt to create an international environment favorable to the two Koreas plot.

The wind of two Koreas blowing at home and abroad is today creating a grave obstacle to our people's cause of reunifying the country. At a time when the danger of perpetual division is increasing before the country and the nation, the Central Committee of the Democratic Front for the Reunification of the Fatherland and the Committee for the Peaceful Reunification of the Fatherland held a joint meeting, discussed the problems of crushing the two Koreas plot of splittists at home and abroad and accelerating the cause of reunifying the country, and sent a letter of appeal to all Korean compatriots at home and abroad out of the sheer desire to break the prevailing national crisis and accelerate the independent and peaceful reunification of the country with the united strength of the nation.

The two Koreas policy is the product of the U.S. imperialists' Korean policy, which is an important part of the Asian and Pacific strategy of the United States. The U.S.

imperialists are frenziedly engaging in the two Koreas plot, instigating the South Korean puppets toward this plot, as part of their aggressive design to perpetually hold South Korea as their colonial and military base and strategic point by fixing the division of our country to realize their Asian and Pacific strategy.

The two Koreas plot perpetrated by the South Korean persons in authority instigated by the U.S. imperialists is an unpardonable act of treachery against the country and the nation designed to perpetually divide our country and leave South Korea permanently in the hands of the U.S. imperialist aggressors as their colonial and military base.

The splittists at home and abroad are maneuvering to fabricate two Koreas by fixing the division of our artificially divided country and legitimizing it internationally under the signboard of recognizing reality. Among these maneuvers are the South Korean puppets' northward policy aimed at driving the locomotive of two Koreas along the rail of cross-recognition by socialist and capitalist countries and the United Nations entry scheme aimed at legitimizing the fixing of the division into two Koreas in the name of the United Nations.

Legitimizing two Koreas internationally means international public recognition of the U.S. imperialists' military occupation and colonial rule of South Korea, half of our country's land, and recognition of the national suffering and misfortune that results from division as being natural.

Those who advocate the scheme for cross-recognition and United Nations entry are publicizing, in an attempt to hide their aggressive and traitorous design, that it is a reasonable way to achieve peace, rather than fix division, and to promote reunification in Korea. This is an utterly absurd statement that contradicts reason. The great leader Comrade Kim Il-song has taught: If two Koreas were fabricated to fix the Korean division, it would not bring peace to the Korean peninsula, but, on the contrary, would aggravate tension and further increase the danger of war.

The scheme for cross-recognition and United Nations entry aimed at internationalizing and legitimizing the Korean division is far from compatible with the cause of peace and reunification of the country, the long-cherished desire of our nation. Dividing a single nation into two states would mean national disaster for our people forever. How on earth can dividing one Korea into two prove to be national reconciliation and the attainment of peace? If one national state, which has a long history like Korea, were to be divided into two, it would not stabilize the situation, but further aggravate it and ultimately bring about continuous tension and the danger of war on the Korean peninsula.

Our nation, which has suffered the pains of division for approximately 40 years, can in no way tolerate the maneuvers by the U.S. imperialists and the puppets to eternally sever the nation's blood ties and the fatherland's territorial ties by creating two states through fixing division. The notion that fixing division leads to stabilizing peace is an empty trick that the U.S. imperialists concocted in order to remain in South Korea. The U.S. imperialists' policy of occupation and aggression against South Korea is a fundamental obstacle that hinders Korea's reunification and is a fundamental factor that endlessly aggravates tension in Korea and threatens peace.

As long as the U.S. imperialist aggressors nestle in South Korea and as long as division continues, peace will never be attained on the Korean peninsula. And, as long as the very vicious anticommunist confrontational system remains as it is, confrontation and tension between the North and South will not be brought an end to and, therefore, will remain a cause that threatens over-all peace in the Far East and Asia.

Reliable and stable peace can only be guaranteed on the Korean peninsula by signing a peace agreement between us and the United States, by adopting a nonaggression declaration between the North and South, by withdrawing the U.S. forces and nuclear weapons from South Korea, and by achieving the reunification of the country. Babbling about maintaining peace, while attempting to divide a nation state under the pretext of recognizing the so-called reality, despite these stark facts is foolish lip service by those who do not care about the sufferings of other people and who do not know what genuine peace is.

It is deplorable that the country has been divided into the North and South for no fewer than approximately 40 years as the result of an artificial division. Moreover, if the country is completely divided into two different states and if, as a result, they eternally exist divided, how can the people tolerate this? What two Koreas can bring about for our nation is only mistrust and confrontation between the North and South that will continue endlessly, the exhaustion and loss of the nation's massive material and human resources, and the danger of a nuclear war which will surely increase.

The divisionists at home and abroad can in no way conceal the criminal nature of the maneuvers to seek eternal division into two Koreas. Those who advocate the theories of cross-recognition and entry into the United Nations are attempting to justify their theory of division by saying that because a regime exists in South Korea in reality, one must recognize it. However, as for the current regime in South Korea, it is a colonial puppet regime that was fabricated by the U.S. imperialists and that is being maintained by their guns and bayonets. The South Korean regime is a tool for executing the U.S.

imperialists' colonial policy and is a group of puppets who even have no authority to independently discuss and resolve fundamental questions for reunification.

The divisionists advocate the theories of cross-recognition and entry into the United Nations in order to make a puppet regime—that cannot represent anyone—appear as though it were a legitimate state under the pretext of recognizing the reality. It is clear that our people cannot tolerate these criminal maneuvers. The maneuvers by the divisionists at home and abroad to fabricate two Koreas run totally counter to the unanimous hope of our people and the world's peace-loving people for the reunification of Korea. Our people sternly condemn and denounce the maneuvers by the divisionists at home and abroad to eternally divide the country and the nation into two as an intolerable defilement of the Korean people and as a flagrant violation of national dignity and independence.

Korea is always one and the Korean nation is also one. It is unimaginable that Korea, which has formed a single entity throughout the long history of thousands of years, could be eternally divided into two Koreas in our era today. The Korean people have resolutely opposed the division of the country and the nation from the beginning and earnestly hope that the country and the nation will be reunified into one in the unique appearance of our nation. If, among the Korean people, there are forces who want the country to be divided into two, it is only such a small minority of national traitors as the comprador capitalists—who serve the foreign monopoly capitalists—and the No Tae-u ring, which is able to maintain its reign only under the U.S. imperialists' protection.

All the Korean people who have an earnest desire for the independent, peaceful reunification of the fatherland will in no way allow the plot of the U.S. imperialists and their cat's paws to fabricate two Koreas. Our people will wage a struggle against the divisionists at home and abroad in opposition to the division of the country into two Koreas and will also in the future make all efforts to realize the cause of reunification as they have in the past.

Squarely seeing the Korean people's firm resolve to oppose division and to realize reunification, the U.S. imperialists must stop kicking up maneuvers to fabricate two Koreas and must withdraw from South Korea without any delay, taking along with them nuclear weapons and all other weapons of aggression.

Because of their reactionary nature, the criminal maneuvers by the No Tae-u ring to fabricate two Koreas will surely be frustrated amid the denunciation and rejection of all the Korean people and the world's revolutionary people. At a time when the danger of perpetual division is heavily hovering over the nation, it is time for all the compatriots at home and abroad who are concerned about the future of the nation to rise up on a pan-national basis, check and frustrate the maneuvers by the

divisionists at home and abroad to fabricate two Koreas, and boldly rise up in a struggle to further hasten the cause of independently, peacefully reunifying the fatherland.

Irrespective of whether they are in the North, in the South, or abroad, all the Korean people who want to live in the reunified fatherland must be strongly united under the banner of anti-Americanism, independence, and reunification to more arduously struggle to resolutely check and frustrate the divisionists' policies of cross-recognition and entry into the United Nations and their northward policy; to reject the U.S. imperialists' ruling and intervention maneuvers; and to remove the U.S. forces and nuclear weapons from South Korea. Also, they must sternly condemn, in the name of the nation, the traitorous group, which is trying to find an exit in perpetuating the division of the country under the protection of outside forces.

The only way to ultimately check and frustrate the maneuvers by the divisionists at home and abroad to fabricate two Koreas, and to achieve the independent, peaceful reunification of the country is to realize, at the earliest possible date, the proposal for founding the Democratic Confederal Republic of Koryo. All Korean compatriots at home and abroad must more vigorously rise up in a struggle to found the Democratic Confederal Republic of Koryo, the most realistic and reasonable proposal for reunifying the fatherland. The Korean people's struggle to reunify the country is an important part of the anti-imperialist struggle of the people of the world for independence and is a joint cause for peace in Asia and the world. Only when Korea is reunified and developed as a single state, can an end be brought to confrontation and war in this area, and can peace in Asia and the world be maintained and consolidated. Anyone who treasures national dignity and independence and who wants peace in and the reunification of Korea must not be entangled in or respond to the maneuvers by the divisionists at home and abroad to fabricate two Koreas.

No divisionist forces can frustrate the firm will and aspirations of the Korean people, who consider it their due right and their most sacred duty to complete the cause of national liberation and to realize national independence across the country. Amid the active support and encouragement of the world's revolutionary people, the Korean people will, without fail, realize the independent, peaceful reunification of the fatherland, the nation's greatest, earnest desire, after checking and frustrating the maneuvers by the divisionists at home and abroad to fabricate two Koreas.

Anniversary of FRC Entry Into War Marked

Reception Held 24 Oct

SK2410052388 *Pyongyang KCNA in English*
0503 GMT 24 Oct 88

[Text] Pyongyang October 24 (KCNA)—Major General Choe Ui-ung, senior member of our side to the Military

Armistice Commission, gave a reception Sunday on the occasion of the 38th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean War (October 25, 1950).

Invited to the reception were Major General Tian Sheng, member of the CPV of the Korean-Chinese side to the MAC, and members of the liaison office of the CPV.

Members of our side to the MAC and officials concerned were present there.

Speeches were exchanged at the reception.

Wreaths Laid at Friendship Tower

SK251011988 *Pyongyang KCNA in English*
1043 GMT 25 Oct 88

[Text] Pyongyang October 25 (KCNA)—A wreath was laid today at the friendship tower in the joint name of the Central Committee of the Workers' Party of Korea, the Central People's Committee and the Administration Council of the Democratic People's Republic of Korea and the Administration Council on the occasion of the 38th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean war.

Present on the occasion were Chief of General Staff of the Korean People's Army Choe Kwang and Vice-Premier of the Administration Council Chong Chun-ki who are alternate members of the Political Bureau of the Central Committee of the Workers' Party of Korea and officials concerned.

Also present there were Chinese Ambassador to Korea Wen Yezhan and his embassy officials.

Also placed today at the friendship tower were wreaths in the name of the Ministry of People's Armed Forces, the Ministry of Foreign Affairs, the Ministry of Public Security, the Ministry of Culture and Art, the Ministry of Foreign Trade, the Ministry of External Economic Affairs and wreaths in the joint name of the Committee for Cultural Relations with Foreign Countries and the Central Committee of the Korea-China Friendship Association and Pyongyang municipal party and power bodies and administrative and economic organs.

Working people in the city also laid flowers at the friendship tower.

Wreaths in the joint name of the Pyongyang municipal party and power bodies and administrative and economic organs and Hyongjesan District party and power bodies and administrative and economic bodies of Pyongyang municipality were laid at the cemetery of fallen fighters of the Chinese People's Volunteers in Hyongjesan District.

Wreaths were also laid at the grave of Mao Anying, son of Comrade Mao Zedong, the great leader of the Chinese people, in Hoechang County, South Pyongan Province, and at cemeteries and monuments to fallen CPV fighters in local areas.

Lieutenant General Song Keda, political commissar of the Shenyang Military Area command of the Chinese People's Liberation Army, and his party on a visit to our country laid wreaths at the revolutionary martyrs' cemetery on Mt. Taesong and the friendship tower.

Officials of the Chinese Embassy in Pyongyang and the liaison office of the CPV to the Military Armistice Commission also laid wreaths today at the friendship tower.

O Chin-u Meets PRC General

*SK2510154588 Pyongyang KCNA in English
1530 GMT 25 Oct 88*

[Text] Pyongyang October 25 (KCNA)—O Chin-u, minister of People's Armed Forces, today met and had a friendly talk with Lieutenant General Song Keda, political commissar of the Shenyang Military Area command of the Chinese People's Liberation Army, and his party who paid a courtesy call on him.

Present there were Major General Yi Hong-sun of the Korean People's Army, Chinese Ambassador to Korea Wen Yezhan and the military attache of the embassy.

Banquet Hosted by Armed Forces

*SK2510055288 Pyongyang KCNA in English
0511 GMT 25 Oct 88*

[Text] Pyongyang October 25 (KCNA)—The Ministry of People's Armed Forces gave a banquet Monday evening at Ongnyu Restaurant on the occasion of the 38th anniversary of the entry of the Chinese People's Volunteers into the Korean War.

Present at the banquet were Chief of the General Staff of the Korean People's Army Choe Kwang and Vice-Premier of the Administration Council Chong Chon-ki, alternate members of the Political Bureau of the Central Committee of the Workers' Party of Korea, and other officials concerned.

Wen Yezhan, Chinese Ambassador to Korea, Lt. General Song Keda, political commissar of the Shenyang Military Area command of the Chinese People's Liberation Army, and his entourage and other Chinese guests staying here were invited to the banquet.

Speaking at the banquet, Maj. General of the Korean People's Army Yi Hong-sun recalled that the fraternal Chinese people sent their fine sons and daughters to the Korean front to aid the Korean people at the cost of blood during the Korean people's fatherland liberation war, under the banner of "resisting America and aiding

Korea, safeguarding the home and defending the motherland." The peoples and armies of Korea and China routed the U.S.; imperialist aggressors by their well co-ordinated operations, sharing life and death, weal and woe in the same trench, and won great victory, he said.

He wished the fraternal Chinese people and officers and men of the Chinese People's Liberation Army new success in their endeavours to build socialism with Chinese characteristics while maintaining the Four Cardinal Principles and energetically stepping up the reform and open policy and in their work to realize the country's modernization and reunify the whole country in accordance with the policy of "one country, two systems," under the experienced guidance of the leadership of the Communist Party of China. In his speech Wen Yezhan noted that the CPV and the KPA won great victory in a bloody three-year war fighting shoulder to shoulder with each other. This victory, he stressed, not only safeguarded the security of the two countries but also made an important contribution to defence of peace in Asia and the rest of the world.

The Democratic People's Republic of Korea, under the leadership of the Workers' Party of Korea headed by President Kim Il-sung, has turned into a socialist country, independent in politics, self-supporting in the economy and self-reliant in national defence, and is now standing majestically in the East of Asia, he said, and declared:

The Chinese people will steadfastly support the Korean people's struggle for the independent and peaceful reunification of the country and strengthen down through generations the great Sino-Korean friendship which has been fostered by the leaders of the two countries for a long time.

Media Notes Anniversary

*SK2510053488 Pyongyang KCNA in English
0455 GMT 25 Oct 88*

[Text] Pyongyang October 25 (KCNA)—NODONG SINMUN, MINJU CHOSON and PYONGYANG SINMUN today dedicate editorials to the 38th anniversary of the entry of the Chinese People's Volunteers (CPV) into the Korean war (October 25, 1950).

NODONG SINMUN says:

The CPV's entry into the Korean war was a proletarian internationalist assistance of the Chinese people to the Korean people.

The soldiers and peoples of Korea and China fought a heroic fight in firm unity, sharing weal and woe and loving each other as their own flesh and blood on the front and in the rear. As a result, in the three years of the war, they defeated the U.S. imperialist invaders who had boasted of being the "strongest" in the world, and won a historic victory.

The immortal feats performed by the CPV in the Korean war will always remain in the memory of the Korean people.

The CPV participation in the war tightened the blood ties between the Korean and the Chinese people and consolidated the traditional Korea-China friendship.

The great leader Comrade Kim Il-song said:

"The Korean and Chinese peoples are close revolutionary comrades-in-arms and class brothers who established blood ties on the road of the common struggle against imperialism and for the victory of the cause of socialism and communism under the banner of Marxism-Leninism and proletarian internationalism in a long historical period."

The Korea-China friendship is a blood-sealed precious one between revolutionary comrades-in-arms based on Marxism-Leninism and proletarian internationalism. It has stood all sorts of trials of history and been cemented as an unbreakable one, for it is based on comradely intimacy between the leaders of the two countries.

As they fought and triumphed together with the Chinese people, the Korean people will march forward with the Chinese people for ever in the struggle to safeguard peace and security in the world and accelerate victory in the cause of socialism and communism.

With the Third Plenary Meeting of the Eleventh Central Committee of the Communist Party of China as a turning-point, the fraternal Chinese people have constantly registered excellent results in the efforts to build socialism of Chinese characteristics, pressing on with reforms and open policy and adhering to the Four Cardinal Principles.

The People's Republic of China makes a positive contribution to preserving peace in Asia and the world, and its international prestige is getting higher with passage of time.

The Korean people are delighted to see all things done well in China and express firm support and solidarity for the Chinese people's struggle to implement the decisions of the 13th National Congress of the CPC, realise four modernizations and reunify the whole country under the policy of "one country, two systems."

The blood-sealed Korea-China friendship will constantly develop and consolidate in the future, too.

MINJU CHOSON has this to say: The Korean people believe that the fraternal Chinese people will as ever support and encourage positively their just cause of struggle for frustrating the "two Koreas" plot of the U.S. imperialists and the South Korean puppets and reunifying the country independently and peacefully.

Anniversary of Ties With CSSR Marked

Articles Published

SK2110054688 *Pyongyang KCNA in English*
0540 GMT 21 Oct 88

[Text] Pyongyang, October 21 (KCNA)—Papers here today dedicate signed articles to the 40th anniversary of the establishment of diplomatic relations between Korea and Czechoslovakia.

NODONG SINMUN says:

Over the past 40 years the Korean and Czechoslovak peoples have always supported and cooperated closely in the struggle against imperialism and for building socialism as class brothers and revolutionary comrades-in-arms.

Now the friendship between the two countries is growing in strength day by day on a solid foundation. In particular, the friendly relations between the two parties, two states and two peoples have reached a new higher stage since the historic visit of the great leader Comrade Kim Il-song to Czechoslovakia in June 1984 and the Korean visits by Comrade Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party, and Comrade Gustav Husak, president of the Czechoslovak Socialist Republic, this year. The deep relations of friendship and cooperation between the two countries make positive contributions to promoting the socialist construction of the two peoples and defending peace and security in the world. Today the Czechoslovak people, under the leadership of the Czechoslovak Communist Party led by respected Comrade Milos Jakes, are vigorously striving to accelerate the socialist economic development and complete socialism furthermore in accordance with the strategic line set forth at the 17th party congress.

The Czechoslovak party and people put forward proposals to establish a nuclear free corridor and a zone free from chemical weapons in Central Europe and to consolidate peace, stability and trust in the European Continent and are making positive efforts for their realization.

The Korean people express firm support to and solidarity with the Czechoslovak people in the struggle for socialist construction and for peace and security in Europe and the world.

The Korean people will in the future, too, as in the past, make every effort to develop and strengthen the friendship and solidarity with the fraternal Czechoslovak people.

MINJU CHOSON notes that the Korean people who set store by the friendship and solidarity with the fraternal Czechoslovak people will honestly implement the treaty of friendship and cooperation concluded between the two countries.

Commemoration Meeting Held

*SK2110062488 Pyongyang KCNA in English
0607 GMT 21 Oct 88*

[Text] Pyongyang October 21 (KCNA)—A meeting to commemorate the 40th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Czechoslovak Socialist Republic was held in Pyongyang Thursday.

Speaking first at the meeting, Kim Hyong-yul, vice-minister of foreign affairs, said:

The opening of diplomatic relations between Korea and Czechoslovakia, that reflected the unanimous desire of the peoples of the two countries struggling for the cause of socialism and communism, was a historical event marking the beginning of the development of friendly relations between Korea and Czechoslovakia.

The Czechoslovak Government recognized the DPRK as the only legitimate state in Korea and established diplomatic relations with it, which was an expression of deep trust of the Czechoslovak Government in the DPRK.

In the past four decades after the establishment of diplomatic relations the friendly and cooperative relations between the two countries have consistently grown in strength and developed on the principle of Marxism-Leninism and proletarian internationalism, he noted, and went on: Our party, government and people express full support to the fraternal Czechoslovak people in their struggle to build socialism and safeguard peace and security in Europe.

The Korean people will make all efforts to steadily develop in depth the traditional Korea-Czechoslovakia friendly relations in accordance with the treaty of friendship and cooperation signed between the two countries.

Vaclav Herman, Czechoslovak ambassador to Korea, spoke next.

In the past 40 years fundamental changes took place in our two countries and we have become very close friends in the common struggle for socialist construction, he noted, and said: The Korean visit of Comrade Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party, and Comrade Gustav Husak, president of the Czechoslovak Socialist Republic, this year and their meetings and talks with respected Comrade Kim Il-song have opened a new prospect for strengthening and developing the relations between the two countries on to a higher stage.

The Czechoslovak people support all the constructive peace proposals of the DPRK to ease the situation on the Korean peninsula and the Far East region and the Korean people's demand for the withdrawal of nuclear weapons and foreign troops from South Korea.

The Czechoslovak ambassador wished the Korean people new greater achievements in their great construction work under the leadership of respected Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, and Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea.

News Conference at Embassy

*SK2210051388 Pyongyang KCNA in English
0507 GMT 22 Oct 88*

[Text] Pyongyang October 22 (KCNA)—A press conference was held at the Czechoslovak embassy in Pyongyang Friday on the occasion of the 40th anniversary of the formation of the independent state of Czechoslovakia and the 40th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Czechoslovak Socialist Republic [CSR].

The press conference was addressed by Czechoslovak Ambassador Vaclav Herman.

Referring to the opening of diplomatic relations between Czechoslovakia and Korea, he stressed that the CSR officially recognized the DPRK 40 years ago and established diplomatic relations with it on the principle of Marxism-Leninism and proletarian internationalism.

Touching upon the Czechoslovak visit of respected Comrade Kim Il-song and the Korean visit of Comrade Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party, and Comrade Gustav Husak, president of the CSR, he said: The friendly and cooperative relations between the two parties and two countries have since entered into a new higher stage of development.

He expressed the belief that the friendly and cooperative relations between the two countries would continue to strengthen and develop.

Foreign Minister Attends Reception

*SK2510060688 Pyongyang KCNA in English
0449 GMT 25 Oct 88*

[Text] Pyongyang October 25 (KCNA)—Herman Vaclav, Czechoslovak ambassador to Korea, gave a reception Monday evening at his embassy on the occasion of the 40th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Czechoslovak Socialist Republic.

Speeches were made by Ambassador Herman Vaclav and Vice-Premier and Foreign Minister Kim Yong-nam at the reception.

Herman Vaclav said that the past four decades after the opening of diplomatic relations between Czechoslovakia and Korea were days when the peoples of the two countries have made concerted efforts for socialism and communism shoulder to shoulder with the peoples of other socialist countries.

We assure you that we will continue to develop all the successes gained in the relations between the two countries, he said, and went on:

We support the initiatives and propositions put forward by the DPRK to guarantee peace in the Korean peninsula and get the foreign forces withdrawn from South Korea.

With great joy we are looking at the Korean people turning their country into a developed state of the present era under the tested leadership of respected Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, and respected Comrade Kim Chong-il.

Kim Yong-nam said:

Over the past 40 years the two peoples have always supported and cooperated with each other invariably for the accomplishment of the common cause as class brothers, true to the comradely friendship and revolutionary obligations.

In reference to the friendly relations between the two countries he said that the historical meetings between the great leader Comrade Kim Il-song and respected Comrade Milos Jakes and Comrade Gustav Husak marked an epoch-making milestone in bringing the friendly relations between the two countries to a new height.

He wished the fraternal Czechoslovak people successes in their perestroika to promote the socio-economic development and further complete socialism, upholding the decisions of the 17th Congress of the Czechoslovak Communist Party, under the leadership of the party, and expressed full support and firm solidarity for their efforts to defend peace and security in Europe.

Greetings Sent CSSR's Johannes

SK2610041488 *Pyongyang KCNA in English*
0408 GMT 26 Oct 88

[Text] Pyongyang October 26 (KCNA)—Messages of greetings were exchanged between Korean Foreign Minister Kim Yong-nam and Czechoslovak Foreign Minister Jaromir Johannes on the occasion of the 40th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Czechoslovak Socialist Republic.

Noting that the two peoples have constantly developed the friendly and cooperative relations in all fields over the last 40 years, the messages say that the meetings of the leaders of the two countries in recent years marked an epochal milestone in developing the Korean-Czechoslovak relations to a new height.

The messages express the belief that the friendly and cooperative relations between the two countries will grow stronger and develop.

Editorial Article Urges Security Law Repeal

SK2410101388 *Pyongyang KCNA in English*
0959 GMT 24 Oct 88

["'National Security Law' Must Be Repealed at Once, demands NODONG SINMUN"—KCNA headline]

[Text] Pyongyang October 24 (KCNA)—An editorial article of NODONG SINMUN today holds that the "National Security Law", the legal brake, must be scrapped, in South Korea without delay for the dialogue between the North and the South and the country's reunification.

It stresses:

Whether the South Korean authorities repeal the "National Security Law" ("anti-communist law") and whether they abandon the anti-communist system, or not, will be a test of their stand and attitude toward dialogue and national reunification.

The "National Security Law" is an "all-powerful suppressive law" which is designed to suppress the patriotic movement of people of all strata for independence, democracy and reunification in South Korea as an "anti-state activity" and a cutoff barring the North-South dialogue and reunification by law, regarding the northern half of the country with hostility.

From the general rule of its first chapter it brands the northern half of the country and patriotic Koreans' organisations overseas as "anti-state organisation", the entire population of the North and conscientious Koreans overseas as "members of the anti-state organisation" and defines them as objects of severe punishment.

In paragraph 2, article 3, this law says all the population of the northern half of the country including school youth and children shall be "punished according to classification," being liable "to death or prison terms above five years," thus setting even the degrees of penalty.

The law also stipulates that persons who have a "meeting", have "correspondence" and have "contact through other means" with person in the North shall, without exception, be sentenced to prison terms up to 10 years. (paragraphs 1 and 2, article 8).

How can dialogue be held and in what manner exchange be conducted when people are barred from going to and coming from the North by the "National Security Law".

Only when the South Korean authorities totally abolish the anti-communist "National Security Law" and discard the anti-communist system and anti-communist policy, root and branch, can they break with their past mistakes, hold dialogue for reunification and pave the way for reunification.

Law Bars National Unity

*SK2410101788 Pyongyang KCNA in English
1006 GMT 24 Oct 88*

[“ ‘National Security Law’ of South Korea is Anti-National Law, Says NODONG SINMUN”—KCNA headline]

[Text] Pyongyang October 24 (KCNA)—NODONG SINMUN today in an editorial article brands the “National Security Law” of South Korea as an anti-national law running counter to the idea of national reunification which presupposes great national unity.

The editorial article headlined “Comment on Anti-reunification, Anti-national ‘National Security Law’” says:

The “National Security Law”, from Chapter One General Rules, prescribes the northern half of the country and patriotic overseas compatriots’ organisations as “anti-state organisations” and the entire people in the northern half and conscientious overseas compatriots as “members of anti-state organisations” and makes them targets of harsh punishment.

The law even provides for “death penalty or at least five years’ imprisonment” (Paragraph 2 Article Three) according to which all people including school children in the northern half of the country shall be punished.

It is very strange, indeed, that hostility between fellow countrymen in one country of the same stratum has been legislated.

National reunification, the cherished desire of the nation, is the cause of achieving national unity on all accounts.

Unity is reunification and reunification is at once unity.

That is why the three principles of national reunification, the common charter of the nation for reunification, define great national unity as one of the basic principles of reunification.

But, regrettably, the “National Security Law” and “anti-communist law” totally deny national unity by prescribing the northern half of the country as the collective of the enemy, one side regarding the other as enemy within

one nation, and by legislating the policy of confrontation, regarding the entire people in the northern half, fellow countrymen, as the enemy.

In fact, in South Korea anti-North is “state policy”, all policies proceed from anti-North and all laws are made and executed for the purpose of opposing the North.

It is a too clear reason that the “National Security Law” making South Koreans hostile to compatriots and pursuing confrontation within the same race runs counter to the idea of national reunification which presupposes national unity.

For North-South dialogue and the reunification of the country the “National Security law”, a juridical brake, should be abrogated without delay.

Security Law Harming Dialogue

*SK2410110788 Pyongyang KCNA in English
1055 GMT 24 Oct 88*

[“South Korean ‘National Security Law’ Is Draconic Law Detrimental to North-South Dialogue, Says NODONG SINMUN”—KCNA headline]

[Text] Pyongyang October 24 (KCNA)—The “National Security Law” of South Korea is an anti-dialogue and anti-exchange evil law which is contrary to the logic of North-South dialogue and exchange, says NODONG SINMUN today in an editorial article.

Saying that the “National Security Law” is, from the outset, negating the elementary demand for and logic of North-South dialogue, the article says:

The “National Security Law” provides that those who “meet” and “correspond” with people in the northern half of the republic and “has liaison” with them “by other means” shall be imprisoned for less than 10 years without exception (paragraphs 1 and 2 of Article 8).

Worse still, those who profit the North, “praise, inspire or sympathize with” the northern half, shall be imprisoned up to 7 years without condition according to paragraph 1 of Article 7.

This is something against common sense.

The “National Security Law” regards a meeting of South Koreans with fellow countrymen in the North as a crime and bans their exchange of opinions and even prohibits people with good intentions from describing things as good and useful. What is this if it is not denying the basis of dialogue itself?

If dialogue and exchange are to be held between the North and the South, the problem of free visits between them should be solved. But, under this law, people who

are coming from the "region of anti-state organisation" or going to the "region" shall be imprisoned for less than 10 years without mercy (paragraph 1 of Article 6).

Under the "National Security Law," exchange of materials is banned between the North and South and people are not allowed even to give and take a cigarette or a handkerchief. The law stipulates that "those who received money and articles from "members of the anti-state organization" are liable to prison terms up to seven years (paragraph 2, Article 5).

It is really astonishing that the "National Security Law" bans trade between the North and South and exchange of gifts between family members and relatives. The "National Security Law" stipulates punishment of those who manufacture, import, copy, possess, carry, distribute, sell and obtain documents, books and other literature of the anti-national organization and its members" (paragraph 5, Article 7) and "penalty for those who spread facts, though they are publicly known from newspapers, radios, etc," regarding them "as state secrets under national security law, if they prove to be materials favourable for the north" (judicial precedent, Article 4.)

All facts clearly show that the "National Security Law" ("anti-communist law") is an evil law denying dialogue, reunification and nation.

According to the law, the South Korean authorities themselves who are talking about dialogue with us are to be charged and No Tae-u himself who said he would come to Pyongyang for "summit talks" will not be safe.

The "National Security Law" carrying in it the notorious evil "anti-communist law" is, indeed, the worst anti-national "law" which ignores humanity, nation and dialogue and opposes reunification.

Only when the South Korean authorities totally abolish the anti-communist "National Security Law" and discard the anti-communist system and anti-communist policy, root and branch, can they break with their past mistakes, hold dialogue for reunification and pave the way for reunification.

Whether the South Korean authorities repeal the "National Security Law" ("anti-communist law") and whether they abandon the anti-communist system, or not, will be a test of their stand and attitude toward dialogue and rational reunification.

DFRF, CPRF Issue Joint Letter of Appeal
SK2610025488 Pyongyang Domestic Service
in Korean 0000 GMT 21 Oct 88

[Text of letter of appeal to all Korean compatriots at home and abroad adopted at the joint meeting of the DFRF Central Committee and the CPRF held on 20 October at the People's Cultural Hall in Pyongyang]

[Text] To all Korean compatriots at home and abroad: Today, when the danger of perpetual division is growing stronger by the day, we held a joint meeting of the DFRF

Central Committee and the CPRF out of a single-minded desire to overcome this crisis of national proportion and to hasten the independent and peaceful reunification of the country with the united resourcefulness and strength of the nation and are now sending this letter of appeal to all Korean compatriots at home and abroad.

The maneuvers of the splittists at home and abroad to fabricate two Koreas has now entered a very dangerous stage. Putting on display here and there such splittist policies as the so-called admission into the United Nations, cross recognition, and northward policy, the persons in authority in South Korea are now pursuing the maneuvers to fabricate two Koreas more openly than any predecessor rulers.

Presenting their criminal splittist proposals to such international arenas as the United Nations, not only do they attempt to have other countries recognize South Korea as a sovereign country, but they also are desperately running riot in a bid to create an international environment favorable to fabricating two Koreas.

Lurking behind the maneuvers of the persons in authority in South Korea to fabricate two Koreas are the positive encouragement and protection of the U.S. imperialists and the Japanese reactionaries as well as those who follow them.

A violent wind called the two Koreas is now blowing inside and outside of our country, acting as an enormous impediment to our cause of national reunification.

The cross recognition and northward policy which the persons in authority in South Korea are pursuing more openly are an antinational act that can never be tolerated for thousands of years to come in that they are designed to have two Koreas recognized as legitimate in the international arena by relying on outside forces and to offer South Korea to the U.S. imperialist aggressors forever as a colony and military base by perpetuating the division of the country.

What all Korean compatriots in the North and South and abroad unanimously hope for is to realize the cause of national reunification, not to have the division recognized as legitimate or perpetuate it.

To have the division recognized as legitimate in the international arena is beyond the imagination of our people who have lived in separation for nearly half a century going through all forms of misfortune and disasters and who are thirsting for reunification as if a day were years.

What does it mean to have two Koreas recognized as legitimate in the international arena? It means to have the military occupation of South Korea, the other half of our country, by the U.S. imperialists and their colonial

rule there recognized in the international arena and to have the tragic fate of division suffered by our people recognized as a matter of fact.

Who among the Korean people can offer his own country and land indefinitely to outside forces as an aggressive military base and who, except a toadyist traitor, would dare launch a beggar's diplomacy in the East and West to keep national division going on forever? The perpetual division toward two Koreas is a grave challenge to the cause of peace on the Korean peninsula.

As long as the U.S. imperialist aggressors comfortably remain in South Korea and the division continues there, peace on the Korean peninsula can never be realized. As long as the heinous anticommunist confrontational system remains in place, the confrontation and tension between the North and South can never be eliminated.

It is not our people who will benefit from rendering our country's division legitimate and from perpetuating it, but the U.S. imperialists who are bent on continuously sitting on South Korea as a military base and a handful of antinational traitors who can stay in office only under their protection.

Under no circumstances will the maneuvers for the fabrication of two Koreas be compatible with peace in the country and its peaceful reunification aspired to by our people.

Korean compatriots at home and abroad: It is clear what two Koreas will bring to our people. It will bring nothing but disappointment and misfortune to our people who thirst for reunification so much; distrust and confrontation that have continued between the North and South without interruption; a consumption of vast national resources and sacrifice forced by outside forces; and the danger of war, a nuclear war, that are destined to increase without fail.

Why should we, who should advance along the path of detente, unity, and reunification which will guarantee the future of the nation, choose the path of confrontation, war, and permanent division which will impose disaster upon the nation again? The present time, a time when the danger of permanent division is increasing before the nation, is precisely the very time for all Korean compatriots at home and abroad to vigorously rise up in the struggle to check and frustrate the two Koreas plot of the splittists at home and abroad.

All of those who are concerned about the future of the nation, irrespective of whether they live in the North, the South, or overseas, should unanimously rise up in the sacred patriotic struggle to oppose the maneuvers for permanent division of the country and to expedite its independent and peaceful reunification.

Let us sternly check and frustrate at every stage the maneuvers of cross-contacts and cross-recognition of the U.S. imperialists and the South Korean rulers and their northern policy. The ringleaders who divided our country in the past and those who are scheming to fabricate two Koreas today are none other than the U.S. imperialists.

Let us more resolutely struggle to reject the U.S. imperialists' domination and interference and to withdraw U.S. imperialist aggression forces and nuclear weapons from the sacred territory of our country under the banner of the anti-U.S. struggle for independence. Let us make the whole land of South Korea seethe with the hot wind of anti-Americanism and the spirit of independent and peaceful reunification. Let us sternly punish the group of traitors who are trying to seek permanent division of the country on the strength of foreign forces, branding them the enemies of reunification.

No one should be deceived by the sham dialogue, sham peace, and sham reunification that the South Korean puppets are clamoring about. Let us sternly expose and smash the antinational, criminal acts of the No Tae-u puppet clique which is seeking confrontation and war under the signboard of detente and peace.

The firm guarantee for blocking the maneuvers for permanent division into two Koreas and for achieving reunification lies precisely in the unity of the entire nation. Let all of us achieve great national unity by transcending differences in ideologies and ideals. Let us put an end to the anticommunist system which has inspired North-South confrontation and which has hindered national unity. Thus, let us provide a new turning point for national reconciliation and unity.

The only way to block the maneuvers for permanent division into two Koreas and to achieve the independent and peaceful reunification of the country is to found the Democratic Confederal Republic of Koryo [DCRK]. All Korean compatriots at home and abroad should more vigorously rise up in the struggle to found the DCRK, which is a most realistic and reasonable way for national salvation and reunification.

The road of two Koreas is the road of national ruin and the road toward reunified Korea is precisely the only road of national survival. Let us not become the victim of foreign forces by allowing the country to be divided permanently but open the road of national survival by achieving national reunification at the earliest possible date. When all compatriots at home and abroad resolutely struggle against the two Koreas plot and for one reunified fatherland, our nation will achieve the historic cause of national reunification without fail.

[Signed] The joint meeting of the DFRF Central Committee and the CPRF

[Dated] 20 October 1988, Pyongyang

Correction to Aerial Infiltration Report

The following correction pertains to the item headlined "Pyongyang Reports U.S. U-1 Infiltration" published in the 28 October East Asia Daily Report, page 3:

column 2, paragraph 12, sentence 1:....today infiltrated a U-1 [as heard] strategic reconnaissance plane...(providing editorial notation)

South Korea

U.S. Said To Ease Restrictions Against North
SK3110004788 Seoul YONHAP in English
0039 GMT 31 Oct 88

[Text] Seoul, Oct. 31 (YONHAP)—The United States will ease its sanctions against North Korea taken in connection with the bombing of a South Korean airliner late last year through prior consultations with South Korea early this week, a Foreign Ministry official said Monday.

The step will include permission for contacts between U.S. and North Korean diplomats in third countries, unrestricted travel to North Korea by Americans, limited approval for exchanges in such non-political fields as science and culture, and the go-ahead for the trade of medicines and other humanitarian supplies, according to the official.

"The U.S. Government's policy to relax restrictions against North Korea was mentioned in the summit talks between South Korean President No Tae-u and his American counterpart Ronald Reagan in Washington on Oct. 20. If North Korea shows positive reactions toward the measures, the U.S. Government is expected to take follow-up steps gradually," the official said.

The U.S. Government, however, is not expected to remove North Korea from its list of terrorist states for the time being.

Hungary To Open Permanent Mission in Seoul
SK3010004688 Seoul THE KOREA HERALD
in English 30 Oct 88 p 1

[Text] The Hungarian Government has notified Korea it plans to open a permanent mission in Seoul next month, a government source said yesterday.

Sandor Etre, who visited Seoul last month to lay the ground work for the agreement to exchange permanent missions, will head the Seoul office, according to the source.

The mission is likely to open a provisional office in a Seoul hotel until it finds a permanent location, he said.

Meanwhile, Yugoslavia has hinted it will follow Hungary's lead and establish a formal relationship with Seoul in the near future, according to another government source.

However, he said, it will take some time for Yugoslavia and Korea to develop such a relationship because of the political situation in the East European country.

Korea opened its permanent mission in Budapest Tuesday with Ham Myong-chol as temporary charge d'affaires. It will soon appoint an ambassador to head the mission.

Mission To Open 'Late November'
SK3110074088 Seoul YONHAP in English
0731 GMT 31 Oct 88

[Text] Seoul, Oct. 31 (YONHAP)—Hungary has informed South Korea of its decision to open its permanent mission in Seoul in late November, a Foreign Ministry official said Monday.

The official also said Hungary will appoint Sandor Etre, deputy director of its Foreign Ministry's bureau for non-socialist Third World countries' affairs, as its first ambassador to the permanent mission in Seoul.

Hungary and South Korea agreed to exchange permanent missions in Budapest and Seoul on Sept. 13. Under the accord, South Korea opened its permanent mission in Budapest on Oct. 25.

It marked the first time that South Korea has opened a permanent mission in a communist country.

Etre, a specialist on Korean affairs who is also fluent in Korean, served as Hungarian ambassador to North Korea from 1979 to 1984, the official said.

Representation Pact Signed
OW3110101588 Tokyo KYODO in English 0957 GMT
31 Oct 88

[Text] Seoul, Oct. 31 KYODO—The South Korean Ministry of Foreign Affairs announced Monday that it had reached a formal agreement with Hungary to set up representative offices in their respective countries.

The Korean Government established its representative office in Budapest on October 25. The Hungarian Government will station its representative in Seoul at the end of November.

Minister Offers Technology for Youth Festival

SK3110123088 Seoul YONHAP in English
1224 GMT 31 Oct 88

[Text] Seoul, Oct. 31 (YONHAP)—South Korean Communications Minister O Myong proposed Monday that South and North Korea cooperate in the communications sector as part of efforts to reduce tensions on the Korean peninsula.

The minister said the government is ready to provide communications equipment and computer facilities to North Korea next year when an international youths sports event is scheduled to be held in Pyongyang, if the North wants.

In an answer during the interpellation session of the National Assembly, O said that his government is willingly to invite communications research personnel of North Korea to Seoul to transfer the South's sophisticated know-how in the field.

The South can also dispatch technicians to North Korea for joint research and the training of North Korean personnel, he said.

O said that if the North accepts the proposal, the government will provide electronic switchboards and optical communication system for the planned Pyongyang sports event in 1989 to help modernize communications network there.

In addition, the South Korean Government is considering establishing a screen conference system between Seoul and Pyongyang, he said. He added the system is expected to help promote talks between the two Koreas.

EPB Studies Ways To Deal With Account Surplus

SK2710064688 Seoul YONHAP in English
0633 GMT 27 Oct 88

[Text] Seoul, Oct. 27 (YONHAP)—South Korea plans to accelerate its opening of commodities markets, scrapping various import restrictions and lowering tariffs, sources at the economic planning board said Thursday.

The sources said that the plan was made to curb the snowballing current account surplus, which is arousing anger among some major trading partners of South Korea, to a proper level.

The surplus is expected to reach 12 billion dollars this year, compared with the government-projected eight billion dollars.

The board also plans to readjust the won's value upward in proportion to major international currencies' value in money markets, but is expected to avoid rapid appreciation of the won, according to the sources.

The government predicts that the competitiveness of Korean-made goods in foreign markets could weaken much if the won is appreciated in a rapid pace because prices of industrial goods are likely to remain the same next year as those of this year.

The government is thus expected to keep the pace of the won's appreciation at a proper level and the value of the Korean currency is expected to rise 14-15 percent to 1 dollar:685-690 won level later this year.

The government is expected to closely watch the fluctuation in value of currencies of Japan and Taiwan, which are major competitors of Korea in overseas commodities market.

On the further opening of its markets, the government plans to import more consumer goods, which represents merely 9.5 percent among total imports. Consumer goods imports from the United States, Taiwan and the European Community (EC) account for 20-25 percent among the total imports, the sources said.

To increase the share of consumer goods import to 20-25 percent level, the government has decided to lift various restrictions on imports of processed foods, medicines, cosmetics and agricultural products, the sources said.

Meanwhile, the government plans to decrease the proportion of the current account surplus from last year's seven percent of Gross National Product (GNP) to 2-3 percent of GNP in 1992.

Business Leader Assesses Exports, Won Rate

SK2710040288 Seoul YONHAP in English
0144 GMT 27 Oct 88

[Text] Seoul, Oct. 27 (YONHAP)—South Korea should study self-regulation of its exports to the United States, while shifting more of its major export market from the United States to Japan, a senior business leader said Wednesday.

Ku Cha-kyong, chairman of the Federation of Korean Industries (FKI), made the remarks when asked about the increasing U.S. pressures on South Korea to quicken the pace of appreciating of its won currency against the U.S. dollar.

In a news conference, Ku, who also heads the Lucky-Goldstar group, said it is desirable that political funds raised by businesses should be dealt with openly and that the funds should be allotted to political parties adhering to a free market system.

"FKI can hardly cooperate with political parties which do not protect the free market system," he said, adding that private firms have willingness to contribute political funds publicly.

Official Regrets U.S. Currency Charge
SK2710030288 Seoul THE KOREA HERALD
in English 27 Oct 88 p 1

[Text] Vice Foreign Minister Sin Dong-won expressed his regrets and dissatisfaction over a U.S. Treasury Department report to Congress accusing Korea of having manipulated exchange rates.

The Korean Government has remarkably appreciated the won and it is regrettable to see Korea officially mentioned in a U.S. Government report as one of the nations with undervalued currencies, Sin told the seventh meeting of the Korea-U.S. economic consultation yesterday. Sin heads the 24-member Korean delegation to the meeting which will continue at the Foreign Ministry today.

The vice foreign minister said Korea is now pursuing a long-term economic restructuring plan with a view to achieving continued economic growth in the changing international environment and made clear Korea's commitment to the principles of free trade and open markets.

In 1987, Sin said, U.S. sales to Korea grew by 33.7 percent while imports from Korea increased by 31.9 percent. The U.S. deficit with Korea for the first half of this year declined by 15 percent compared to the corresponding period last year.

"I hope that such a trend could be maintained through our joint efforts, thus putting our bilateral trade on the right trade toward a balanced expansion," said Sin in his opening remarks.

Sin expected more friction to occur as the volume of trade between Korea and the United States expands and called on both governments to make "earnest efforts" to solve such problems in a spirit of cooperation and mutual respect.

Vice Minister Sin also expressed concern about the protectionist elements contained in the newly legislated Omnibus Trade Act of the United States and urged the U.S. Government to take special care to avoid causing unnecessary harm to the free trade arrangement under the GATT and to insure the smooth development of trade relations between the two countries.

Undersecretary of State for Economic Affairs Allen Wallis said, in an opening address, the success of the Olympic Games has given trading partners of Korea higher expectations of a further opening of the Korean market.

Wallis, who heads the U.S. delegation, also emphasized the need to restructure the Korean economy corresponding to its status in the international community.

Business Firms Seek Trade Shortcut With Europe
SK2510010288 Seoul THE KOREA TIMES
in English 25 Oct 88 p 3

[Text] Foreign transport firms are reportedly seeking to develop the shortest route for trade between Europe and the Far East, possibly using the trans-Siberian railway, or the Fujiang railroad being built by China and even the South-North Korean railroad.

If the idea materializes, the shortcut using Chinese or Korean routes will shorten the current sea trade route using the Suez Canal by 3,200-4,200 km and will reduce the transport time and costs by 45-55 percent.

The shortcut is 1,200-2,000 km shorter than the current Siberian route starting from Nachodka. It will save time and costs by 15-35 percent, according to estimates by transport experts.

The anticipated benefits draw keen attention from Korean, Japanese, Chinese, Filipino and Australian transporters who have used sea routes and the trans-Siberian railway.

The traders transport 60,000 containers to and from Europe annually using the Siberian route which opened in 1971.

China recently said that it will open the Fujiang Railway Line between Xinhaifan in Jiangsu Province on the east coast and Urumqi near the Soviet border to foreign cargoes bound for Europe, after the railway is completed.

The route will go further to Omsk, the Soviet Union, and connect with the trans-Siberian railway.

The Chinese line is about 1,000 km shorter than the Korean-Manchuria-Siberia route.

Chinese authorities made it clear that they will improve the railway conditions of the section between Lanzhou and Urumqi and use it for foreign cargo transport.

According to transport business sources, a Japanese transport agency named Japan-Euro is seeking the opening of the South-North Korean railway route to be connected further to Manchuria and Siberia.

For the project, the president of the company, encouraged by the recent South Korean initiative for economic cooperation with North Korea, is reportedly seeking to visit Pyongyang for consultation.

Meanwhile, Korea is learned to have been using the trans-Siberian railway to transport 7 percent of its European-bound cargoes since 1973.

Last year, Korea transported 10,000 containers through the line. Japan transported 40,000 containers annually using the route.

Economy Expected To See Over 10-Percent Increase

SK1310021088 Seoul YONHAP in English
0203 GMT 13 Oct 88

[Text] Seoul, Oct. 13 (YONHAP)—The Korean economy is expected to grow more than 10 percent this year as the second half business performance since August has been more bullish than expected, the Economic Planning Board (EPB) said Thursday.

The board said industrial production and shipments in August rose 31.4 percent and 39.8 percent, respectively, from a year earlier in comparison with July's respective increases of 11.6 percent and 11.5 percent.

The EPB's monthly business trends in August showed that applications for building permits climbed 39.8 percent and orders for plant and equipment surged 81.9 percent, while wholesale sales rose 14.9 percent and retail sales increased 9.6 percent, reflecting brisk domestic business.

The August current account surplus amounted to 840 million dollars boosting this year's total through the end of August to eight billion dollars. The surplus is expected to reach 12 billion to 13 billion dollars at the end of this year, compared with the government's projection of seven billion dollars.

Money supply grew 18.6 percent in September from a year earlier in comparison with the previous month's 19.6 percent. Sources at the board attributed the drop to a money supply level lower than government and private sector expectations despite demand on the occasion of Chusok (Korea's full moon day) and the Seoul Olympics, as well as relatively higher demand in September of last year resulting from labor disputes.

Prices stabilized somewhat in September with wholesale prices posting a 0.3 percent drop from the previous month and retail prices registering a 0.3 percent rise.

This year's commodity price growth rate, as of the end of September, posted a 1.8 percent rise in wholesale prices and a 5.6 percent rise in retail prices.

Board sources expect that the government-projected increase rate for this year, which is two-three percent for wholesale prices and seven percent for retail prices, could be maintained because there is no particular factor to boost the rate, except for a possible increase in the government's purchase price for farmers' grain.

Real estate speculation is slowing down, due in large part to recent government measures to curb speculation.

An EPB official said that the index of leading economic indicators has been on the rise since May. He projected that the Korean economy could achieve stable growth this year if inflationary pressures could be removed by coordinated efforts of the government and private sector.

Construction Firms Lose Money in Iraq, Libya

SK2210012788 Seoul YONHAP in English
0119 GMT 22 Oct 88

[Text] Seoul, Oct. 22 (YONHAP)—South Korean construction firms suffered losses of more than 175 million U.S. dollars in Iraq and Libya over the last six years, a government report showed Saturday.

The construction ministry, in its report for the National Assembly audit and inspection, disclosed that Daewoo, Samsung, and Hyundai have suffered a loss totaling 158 million dollars in Libya since 1982.

The report said the three firms received a total of 2.67 billion dollars in crude oil at 22 dollars a barrel, which they sold on spot markets at 20.7 dollars a barrel.

Daewoo suffered a loss of 113 million dollars, Samsung 24 million dollars and Hyundai 21 million dollars, according to the report.

The report said Hanyang, Namkwang, Hyundai, Jungwoo, and Samsung have registered a loss totaling 17.07 million dollars in Iraq since 1983. The five companies received 677 million dollars in crude oil at 22 dollars a barrel and sold it on spot markets at 21.4 dollars a barrel.

The report said Hanyang lost more than eight million dollars, Namkwang 4.16 million dollars, Hyundai and Jungwoo two million dollars each, and Samsung 0.73 million dollars.

Exports to Communist Nations Increase in 1988

SK2310030088 Seoul THE KOREA TIMES
in English 23 Oct 88 p 6

[Text] Exports to Communist bloc countries have been growing sharply this year, apparently spurred by the Seoul Olympics.

As of the end of August, shipment of Korean items to socialist nations had soared 58.3 percent from the comparable period of last year, related authorities and business sources said yesterday.

As exports to those countries have been accelerating since September, the business community predicts total exports will amount to \$2 billion by the end of this year.

Last year, Korean goods worth \$1,029.5 million were shipped to the Eastern bloc countries.

Currently, more than 650 domestic firms are engaged in business activities with counterparts in socialist nations.

Of them, 20 general trading companies have been doing brisk business.

As of the end of September, Samsung had chalked up contracts amounting to \$335 million, maintaining the first place in trade with socialist nations.

Last year, Samsung topped the list with \$251.72 million.

With picture tubes for color TV's, textiles and toys as its main export items, Samsung predicts that total exports to the bloc will reach \$600 million by the end of the year.

Daewoo also showed a remarkable increase in its trade with socialist nations with the goal for the year of \$330 million, revised upward 88 percent from the \$175 million recorded for last year.

The major export items of Daewoo include textiles, electrical and electronic appliances as well as steel products.

Lucky-Goldstar has already exceeded the total amounts of \$107 million recorded for last year by shipping out commodities worth \$120 million to the Communist bloc.

Encouraged by its excellent performances in the Eastern bloc, the Lucky-Goldstar recently revised its target amount for this year up to \$160 million.

In case of Lucky-Goldstar, exports to China increased by 60 percent while those to Eastern European countries including the Soviet Union rose by 20-30 percent.

Sunkyong also actively entered into the export drive to the countries, which have no diplomatic ties with Korea, by selling goods worth \$101 million last year. The amount is expected to reach \$140 million this year.

Expanded Sale of Imported Beef Seen
SK2310031688 Seoul THE KOREA TIMES
in English 23 Oct 88 p 6

[Text] The supply of 14,500 tons of imported beef will be expanded to small and medium-size cities with populations of 100,000 or more to stabilize the soaring price of beef cattle.

At present, the imported beef supply is confined to Seoul, Pusan, Tae-gu, Inchon and Kwangju.

A spokesman for the Agriculture, Forestry and Fisheries Ministry said that the ministry has decided on the measure, based on reports that the price of beef cattle has risen by more than 50 percent from the end of last year's level.

Ministry officials said that the imported beef will be registered with the wholesale market in provincial cities and the sales methods will be diversified.

According to them, about 2,000 tons of beef imports for tourist hotel use will be also put on sale to the public for efficient demand-supply control.

The imported beef sales corners will be set up at the Korea Agricultural Products Marketing Corp. sales centers to give the people easier access to the imported beef, the officials said.

Meanwhile, the ministry will operate a special investigation division to check for illegal butcheries and irregular distribution of livestock products, which show an increasing trend in line with rising beef prices.

Ministry officials analyzed that the sharp rise in the price of beef cattle is attributed to a large reduction in the number of beef cattle and beef supply shortage.

The ministry advised livestock farmers to refrain from purchasing calves at the current high price in consideration of the beef cattle price plunge in 1982 and 1983.

Taiwan To Purchase 6 Guided Missile Frigates
SK2310033588 Seoul THE KOREA TIMES
in English 23 Oct 88 p 1

[Text] Taipei (AFP)—Taiwan is to buy a fleet of six guided-missile frigates from South Korea in a sale that will involve technology transfers, officials have said.

Vice Defense Minister Guo Chongqing told Parliament Friday that Taiwan would order the frigates from South Korea's Hyundai Shipbuilding Corporation.

The sale comes at a time when Seoul has been making overtures to Mainland China, observers noted.

Hyundai will train personnel from Taiwan's state-run China Shipbuilding Corporation (CSBC), Guo said, adding that CSBC would build 10 more frigates on its own after acquiring the relevant technology.

The Defense Ministry declined on Saturday to say how much the fleet would cost or when it would be delivered.

Some Taiwan legislators have opposed buying frigates from South Korea, stressing the need for Taiwan to build an independent defense industry.

DJP Opposed to Rewriting Labor Law Now
SK2710030988 Seoul THE KOREA HERALD
in English 22 Oct 88 p 2

[Text] The ruling DJP is opposed to rewriting labor-related laws at this time.

Yun Kil-chung, chairman of the ruling party, made clear his party's position on that particular issue yesterday when he met with Ku Cha-kyong, chairman of the Federation of Korean Industries (FKI), at a breakfast meeting.

Also attending the breakfast encounter between the ruling party and influential business leaders was Yi Han-dong, the DJP chief policy-maker and vice chairman of the FKI.

Pointing out that the laws have recently been rewritten several times in favor of labor, Yun said his party will seek policies aimed at fostering good relations between labor and management for mutual benefits, while encouraging management to improve working conditions and welfare projects.

Yun also stressed that the free market economy should be fostered and maintained at any cost.

"In the framework of the free market economy against the backdrop of the ongoing democratization efforts, the DJP will take the lead in unfolding economic policies toward constructive and pragmatic roads leading to national economic development," Yun said.

He also disclosed that a growing policy emphasis will be focused on the development of domestic small businesses while keeping big businesses from encroaching on specific areas reserved for small businesses.

Touching on interest rate policy, Yun said the government had already decided to decontrol bank interest rates but said proper action will be taken to prevent bank interest rates from fluctuating too far and to keep local businesses from having to shoulder sudden financial costs owing to higher interest rates.

Yesterday's working breakfast was scheduled after the FKI accepted the DJP's offer to discuss the wide range of economic issues facing the local business community in the aftermath of the Seoul Olympics.

Ku Cha-kyong, chairman of the FKI, said the labor disputes stem from the structural vulnerability of Korean industries rather than labor laws themselves.

"Labor-management problems can be resolved when both sides spare no efforts in improving the relations while making efforts to understand the other side and to respect each other," Ku maintained.

Business leaders also called for steps to safeguard the liberal democratic system based on a free market economy, more policies to encourage facilities investments.

Kim Yong-sam Addresses National Assembly
SK3010084088 Seoul Television Service
in Korean 0100 GMT 26 Oct 88

[Speech by RDP President Kim Yong-sam at the sixth plenary meeting of the 144th regular National Assembly session on 26 October—live]

[Text] My dear fellow countrymen, respected speaker, my fellow assemblymen, prime minister, and members of the Cabinet:

We are now at a great turning point at home and abroad.

Politics in the latter half of the 20th century is rushing toward a more open and democratic world in the 21st century. We have just ushered in an era of great opening and reform.

The rigid oppressive system built on the cold war logic and structure is now falling apart in every corner of the world. Signs of a new thaw are evident in all countries, regardless of whether they have espoused right or left ideologies or whether they are economically advanced or backward.

This new thaw assumes all-embracing democratic reforms as its core. These signs of a thaw are entirely different from those that appeared at the beginning of the 1970's. At that time, it was a partial and short-lived thaw between the East and West. However, because the current thaw is all-embracing, it can be said to have an enormous, long-term impact on peace.

This flow is moving toward peace in international relations; at home, it is moving toward building a society in which human beings can live a decent life.

Such a change is unprecedentedly rapid and irresistible. This can be said to be a historical turnabout in the later half of the 20th century moving toward a brighter 21st century. No one, no force, or no ideology can stop or reverse this flow of global history which is moving toward peace and democratization.

In particular, the Northeast Asian region is more economically vigorous than anywhere else in the world and is seen as among the areas with the best prospects.

Today, when the axis of global power is shifting toward Northeast Asia, the Korean peninsula's importance has never been greater. That the Olympics were held on the Korean peninsula, which has remained a showdown venue of the world's most acute cold war, precisely at such time carries a weighty significance in terms of world history.

Over the short period of 40 years since our nation's liberation, we have achieved miraculous economic growth and development despite the division, war, poverty, and dictatorial rule. Not stopping at this, not only

have we paved the way for democratization through the nationwide resistance in July last year, but we also have created a cultural miracle through the successful holding of the Olympics. As a result, we have stunned the world and we ourselves have come to take pride in being a mature people who deserve democracy, hope for a bright future, and who have confidence in ourselves and courage.

We are now in the vanguard of world history; and it is about time for us to make politics in our country, which have been quite backward in comparison with other fields, move ahead in keeping with the advancing world history and to pave the way for joining the ranks of the advanced countries through a bold democratic reform.

My respected fellow countrymen, it is my firm conviction that our people's mature democratic force will enable us to achieve peaceful reunification of the country, which is the unanimous desire of us all.

No longer can we afford to continue the hypocritical debate on reunification, a product of the outdated cold war ideology worked out to maintain the dictatorial regime's vested rights, which so far has been practiced within the framework of the logic of division.

Now is the time when there should be a great change in our way of thinking and our approach with regard to relations between the North and South. In approaching the reunification question, we do not need to cling continuously to the theory of passive advancement or to a functional theory.

The time has now come for us to be sincere and bold in removing, first of all, the fundamental factors and basic elements that have caused the division between the North and South to continue.

In this context, it is desirable that we promote simultaneous political and military talks, and even economic talks and cultural talks, between the North and South in order to improve North-South relations. We should show sincerity in the all-embracing approach toward the discussion of economic, social, and cultural exchanges, including humanitarian exchanges, that our side calls for, as well as North Korea's call for political and military issues.

What is more, we should never make North Korea feel isolated and therefore become more doctrinaire. I have already presented my opinion on this to those concerned in the United States and Japan.

The government should make efforts to widely heed the voices of all walks of life in our society, including students, religious figures, men of letters, and artists, calling for North-South exchange, which have become louder in recent months, and should turn them into a national consensus.

Last August our party put forward three principles for reunification: democratic reunification, simultaneous promotion of nonpolitical exchange and political negotiations, and peaceful reunification. In practically promoting reunification based on such principles, debates on reunification should first start from realities.

This being the case, we now make it clear that none of the things such as the declaration of nonaggression, the signing of a peace agreement, and even revision of the National Security Law, not to mention North-South exchange, should be excluded from debates on reunification. In parallel with such an effort, we should positively capitalize on the favorable international situation to our advantage. Our party also will further strengthen northern diplomacy and opposition-initiated diplomacy.

In a speech I made last August at the Tokyo Press Club, I proposed a six-party council for reunification to be composed of Korea, North Korea, the United States, Japan, the Soviet Union, and China. By proposing this, I meant to promote independent efforts between the North and South toward great national conciliation through the establishment of a new order designed to achieve mutual cooperation and balance among the six Northeast Asian countries.

In a bid to realize this, the persons in authority in the United States and Japan are discussing this seriously and are making diversified efforts.

In his speech at the UN General Assembly a few days ago, President No Tae-u proposed the formation of a six-nation peace conference. I take this to be coming from the same idea and wholeheartedly hope that it will contribute to preserving peace in Northeast Asia, to promoting an exchange between the North and South, and, going one step further, to promoting peaceful reunification.

Accepting my invitation, Ishibashi, the former president of the JSP, visited Korea recently, the first high-ranking JSP cadre to do so. By so doing, he has provided an opportunity for changing the JSP's policy toward the Korean peninsula which has been lopsidedly favorable to North Korea. I think this carries great significance in easing tension and preserving peace on the Korean peninsula and in Northeast Asia.

As part of our effort to pave the way for peace, we will continue our efforts to strengthen opposition-initiated diplomacy toward China, the Soviet Union, and East bloc countries. We will also make an effort to make our country promote trade relations with these countries and contribute to developing Siberia. At the same time, I once again make it clear that I am willing to go anywhere necessary to promote this.

What we should bear in mind, however, is that even this northward diplomacy and the effort to create an international environment for reunification should be based on the traditional relations with allies.

Also, we should be careful to avoid such things as paying less attention to relations with allies because of our still-budding exchanges with these socialist countries. We need a sense of balance when it comes to international relations.

The stronger our relations with our allies become, the broader the boulevard for putting northward diplomacy into practice will become and the farther it can advance.

When we all make positive efforts in this regard, I am convinced that the Korean peninsula will be seen as a plaza of reconciliation and peace, not as the forefront of cold war and confrontation, and the international environment for reunification will further mature.

My dear fellow countrymen and fellow assemblymen, at such an important point in history as today, we should have a keen eye of looking squarely in the direction of history's advance as well as the courage to translate historical truth into action.

The advancement of history is possible only when past mistakes are thoroughly liquidated. We do not intend to exact political retribution against those who are responsible for past wrongdoings and irregularities, but are determined to bring an end to the history of wrongdoings and hatred and to usher in a democratic era filled with justice and reconciliation.

Therefore, the most important task facing the current regime is to completely break off relations with the Fifth Republic, which was replete with all kinds of wrongdoings and irregularities, and to rectify national discipline by effecting a large-scale personnel reshuffle through a complete revision of the legal and institutional system that corresponds to a new era.

To cultivate a truly healthy society, all public office holders, including the head of the government, should stand on a firm moral basis and show the people their honest, clean, and trustworthy attitude. I would like to make it clear that without a solution to this attitude and task, no matter how colorful the promise nor florid the language the present regime may display, they will only prove to be falsehoods and its legitimacy and morality will not be acknowledged.

We are now endeavoring to solve this historical task through various special committees formed in the National Assembly, including the Special Committee for the Investigation of the Fifth Republic Irregularities and the Special Committee for the Investigation of the Truth of the Kwangju Democratization Movement. Also, the parliamentary investigation of state affairs, which has

been made possible for the first time in 16 years, has shown us all the more vividly how the Fifth Republic damaged and tore down the basic order and discipline of the state.

All our people are surprised and indignant at the evil entity of the Fifth Republic as they watch the revelation of the enormous fraud and irregularities committed by the politicians who used power as a means to amass wealth. Through the parliamentary investigation of state affairs, we, together with all the people, came to be firmly aware of the truth that without the liquidation of the irregularities of the Fifth Republic, it is impossible to open an era of democracy. However, I must question how well the government and the ruling party made efforts to comply with such a desire of the people. I must say that it is very regrettable that, taking advantage of the fact that the parliament has no right of compulsory investigation or the prosecution right of arraignment, they seem to be trying hard to conceal and cover up the truth in order to nullify the parliamentary investigation.

I propose the following ways to overcome this limitation of the parliamentary investigation and to liquidate the irregularities of the Fifth Republic:

First, President No Tae-u, in accordance with the will of the people, should take a step so that Mr Chon Tu-hwan, the very core of the misgovernment and all the irregularities of the Fifth Republic, will clearly confess all responsibility, ranging from legal and political responsibility to moral responsibility, at an early date; present to the state all the property he obtained by irregular and illegal means; apologize to the people from the bottom of his heart; and humbly wait for the people's judgment. If the present regime fails to do this, it is certain that the people will regard the present regime as an inheritor of the Fifth Republic.

Second, should this step of political determination be rejected, the National Assembly will have to legislate a necessary law to introduce a special prosecutor's system so that such prosecutor can exercise the right of compulsory investigation and the right of arraignment to thoroughly investigate all the irregularities of the Fifth Republic and dispose of the results judicially.

I express these views concerning the liquidation of the irregularities of the Fifth Republic and urge the government and the ruling party to make a decision. Also, I stress that a daring step should be taken to eliminate the forces within the government and the ruling party which defend the past wrongs, indulging in anachronistic ideas or engaging in anachronistic moves and trying to cover up and conceal the fraud and irregularities.

As seen in the recent parliamentary investigation, the forces attempting to defend the past wrongs revealed themselves as the ringleaders of the Fifth Republic irregularities as they repeated false testimony and made rude statements and acts contemptuous of the people.

This is an antidemocratic act that runs counter to the trend of democratization and directly challenges the people. If the present regime just looks on without doing anything about this, we must question its own will for democratization.

We, together with the people who seriously watched the parliamentary investigation, make it clear that we will resolutely punish any attempt to contradict the trend of democratization. I solemnly warn that if the present regime avoids this historical duty and continues antidemocratic acts, the present regime itself will be resolutely rejected by the people.

Respected people and my fellow lawmakers, to liquidate the old era and open a new democratic era, we should improve the inappropriate legal and systematic devices of the past. The Army, which drifted far away from the people because of some political soldiers' intervention in politics, should be more democratized and remain strictly neutral politically to give the sense of integration that the army is part of the people so that it can command the people's love, respect, and trust.

Shameful words such as torture, trumped up charges of procommunism, and trampling upon human rights which have constantly been the subject of controversy should disappear forever. For this purpose, various intelligence and investigation agencies, such as the Agency for National Security Planning and the Security Command, which have been the hotbed of such evils, should be democratized, should remain politically neutral, and should remain faithful to their fundamental duty for the security of the country.

All prisoners of conscience victimized by these intelligence and investigation agencies because of their struggle for democratization should be released immediately. I stress that without the release of the prisoners of conscience who are unfairly imprisoned because of the preemptory antidemocratic laws of the past, we cannot realize political stability, harmony among the people, or democratization.

The government, which is responsible for protecting the life and property of the people, should awaken itself to prevent a recurrence of the state of lack of law and order causing anxiety for the people, as seen in the recent case of the escaped prisoners and violent criminals, which was caused by an excessive concentration of the police forces for the maintenance of power. Drastic reform is necessary so that the police will not be the cat's paw of power but remain strictly neutral politically.

The just demand of students and workers in connection with democratization can never be suppressed by physical force. All problems should be resolved through understanding and within the framework of the constitutional order.

I make it clear once again that violence cannot be justified under any pretext and that any form of violence by any side is an antidemocratic act that destroys parliamentary democracy.

Also, the independence of the judiciary and freedom of the press should be guaranteed; autonomy and independence in the cultural, art, educational, and other social fields should be secured; and the local autonomy system to back balanced development should be put into practice at an early date.

In particular, the problem concerning the merger of mass media, which has been brought to light in the course of the inspection of state administration, graphically proves how suppressively the Chon Tu-hwan regime manipulated the mass media and in what way it misled the people and left them uninformed.

Proceeding from the intention of doing our best to inform the people not of a fabrications but of truth in the future, our party will make utmost efforts to thoroughly probe into all misdeeds concerning the merger of mass media, to correct them, and to prevent them from occurring again.

The government and the ruling party should humbly reflect on how much they have conformed to the expectations of the people for realizing democracy up to now, almost half a year after they took power.

I have already made it clear that I will not deal with President No Tae-u's commitment to an interim evaluation from the viewpoint of using it to take power. For a correct interim evaluation, however, democratization with the quality and quantity that will convince the people should be realized.

Respected people and lawmakers, I think that though democratization begins with political democratization, it cannot be perfected until economic democratization is also successfully achieved.

I stress once again that achieving an affluent and just economy through fair distribution and substantial growth is the way to accomplish economic democratization.

Although our economy is being maintained on the basis of high-rate growth and surplus in the international balance of payments, it is likely to be faced with a new difficult situation as a result of the appreciation of the won against the U.S. dollar, the trend of protectionism, and pressure to open the market wider. Also, an unusual rate of inflation is likely to occur because the currency is not being properly managed.

Despite the fact that the government should take the lead in implementing the retrenchment policy to curb inflation and stabilize the people's livelihood, the government has drafted an excessively ample budget which

contains a deficit of more than one trillion won. In view of this, I cannot but doubt that the government has a correct perception and is making efforts to solve problems.

Through deliberations on the budget at the regular session, the National Assembly should drastically cut the unnecessary pork barrel programs and spending designed to maintain power to relieve the people from the burden of taxation.

Looking back upon the past, our economy has developed remarkably and changed thanks to the overall efforts of workers, farmers, fishermen, small and medium-size merchants and businessmen, professional managers, businessmen, and conscientious public servants.

However, because of the dictatorial regimes' corruption and the government-business collusion, seriously imbalanced growth has continued between strata, regions, industries, and between cities and rural areas, deepening the unfair distribution of income where the rich got richer and the poor got poorer.

In one corner of society, the concentration of economic power and various forms of speculative deals have deepened and the lewd entertainment businesses and businesses of luxury prosper while, in another corner of society, the homeless and poor populace are rapidly increasing. Agriculture and the rural economy are faced with great difficulty. The low wages for workers and their long working hours are continuing.

Low wages for workers should not be tolerated as reasonable any longer now by reason of the rise in the cost of production. Nor should the increase in the government purchase price of rice be restrained under the pretext of a deficit resulting from an accumulated higher government purchase price of rice and inflation.

Nor should we turn away from reducing the debts for the farming populace by reason of a financial imbalance between revenue and expenditure. Moreover, we should prevent the recurrence of the situation where nation-ruining real estate speculation ruthlessly frustrates the dreams of the homeless populace who have worked hard and sincerely saved up for a home of their own.

The government authorities should show their firm will for reform concerning these problems, and establish and implement policies so as to impart a feeling of trust in the people. To this end, a structural reform on the principles I will now note and overall economic democratization should be realized.

First, the process of establishing and implementing economic policies should be democratized. The process of making and implementing policy should be open, and extensive participation of the parties concerned should be ensured. To utilize the creativity of the civilian

businesses to the utmost degree, government intervention and directive should be reduced, and the pseudo taxes and various restrictive regulations such as unnecessary approvals and permits should be abolished. As for checking inflation, which is the subject of greatest economic concern for the people, now is the time for implementing an indirect method of managing the currency according to market functions rather than the artificial and arbitrary method of checking it by administrative officials. Our slogan now is: "Economic efficiency is for civilians and the market. The equilibrium of society is for the government and the state." This suggests the formation of a new system of division of labor between society and the state.

Second, democratic reform of the basic economic order should be carried out. The economic order which has been perverted due to monopolist arrogance and the contradiction of unfair transactions should be corrected into free and fair market competition. The small and medium enterprises should be more actively protected and fostered.

The financial autonomy including the independence of the Bank of Korea, the introduction of a new concept of land as a public possession, the system of using real names in finance and assets, the comprehensive imposition of taxes for land, and other systematic measures should be perfected.

As for speculation in real estate, this should be prevented in a reasonable manner by perfecting systematic steps including the introduction of a new concept of land, the system of using real names in finance and assets, the comprehensive imposition of a tax on land, and the practical application of tax rates for the transfer of real estate instead of recklessly issuing temporary remedies.

The system of using real names in finance and assets and the comprehensive imposition of taxes, going beyond the category of restrictions for speculation, should be implemented before the end of next year at the latest, proceeding from the goal of redistribution of income and the realization of social justice.

Those who have gained property through illegal profiteering have delayed this issues.

The premodern and authoritarian labor-management relations must be eliminated and modern and democratic labor-management relations must be established. For this, an atmosphere in which both labor and management mutually recognize the value of the existence of the other side should be created and the government should execute consistent and fair labor policies.

Based on the sound foundation of systematic measures realized through the democratic revision of various labor laws, a common body of labor and management should come into being for mutual prosperity.

Third, efforts for balanced social wealth and epochal improvement in the distribution of income are necessary. This issue can be resolved by mobilizing all tax, financial, and various other social insurance policies. As for the tax imposition system, this should be turned into a direct imposition system from indirect imposition system so that the burdens of small income earners will be reduced.

What we must strive for in particular is to attain equilibrium by protecting the alienated classes including workers, farmers, and fishermen.

To resolve the issue of the housing shortage, one of the most serious problems facing the urban poor, an epochal policy should be implemented including the revision of laws related to housing and real estate so that the supply of cheap, rental houses will be drastically increased.

Medical insurance and assistance for educational expenses should be commonly offered to all alienated classes. This is one of the most urgent tasks which the government should carry out.

I urge that laws for expanding the employment of disabled persons be formulated and special higher education organizations be established so that the employment and social activities of disabled persons will be ensured the same as for normal people.

We no longer live in an era of growth first and distribution next. Now is the time for us to have a new awareness that fair distribution and substantive growth must be equally realized.

In addition, the environment must be protected and the quality of public services be promoted so that the benefits generated therefrom be equally distributed, thus promoting the quality of life of all our people. An effort should be made to realize the idea of respecting the value and dignity of man.

I believe that our culture will develop into a more mature democratic culture in concert with the work of political and economic development and democratization. When the culture of a nation takes form in a natural and spontaneous manner over a certain period of time according to the unique life style of that nation, the most sound cultural system will be established.

When those in power attempt to dominate the culture and standardize the consciousness of the people, democratic culture is destined to perish. Proceeding from this standpoint, I urge that the educational authority should be made independent and autonomous education should be realized.

Under the rule of the regime of the Fifth Republic in the past, the college entrance examination system, extracurricular studies, and the school district system were recklessly handled without sufficient review, thus causing great confusion and inconvenience to the people.

The educational system is an important undertaking for a country in setting up its plans for the century to come. Therefore, this system should be sufficiently and carefully studied and reviewed so that the agreement of the majority of the people can be achieved.

The issue of promoting the position of women should no longer be dealt with in a manner of mere declarations. The provisions discriminating between women and men in family law and in the equal employment law should be abolished so that the rights and interests of women will be substantively guaranteed. For this, our RDP will make continuous efforts.

Respected fellow countrymen, assemblymen, and cabinet members including the prime minister:

I am convinced that our ideals and goals pursuing advances in all domains will be achieved not in the remote future. I am convinced that our people are fully capable of achieving such national tasks. The historic responsibility for achieving democratization and reunification by uniting the mature democratic forces is given to our politicians.

Clearly realizing such a difficult yet glorious historic responsibility, our politicians must effect a great turning point in our way of thinking, in the outlook on values, and in the style of action.

Our RDP will stand at the vanguard of the march toward the reunification, representing and speaking for the conscientious conservative forces, reasonable progressive forces and the common people who are poor but lead an honest life, and will strive to eliminate the differences and discord between the classes, between the districts, and between the generations taking place within our midst.

Through bold reform, we will lead political affairs amid stability. I would like to stress again that the world is today effecting a great turning point in the face of the last 10 years of the 20th century.

The Korean politicians of today are not the same as those in the past who were settled down in a corner of the world, merely seeking an easy-going life.

We are politicians who stand in the center of a new history. At a time when the entire world externally

pursues peace and internally advances toward an open policy, autonomy, and democratization and when the ideals of mankind are about to be achieved, I, as a politician in the southern part of the Korean peninsula which now stands at the center of the world, am resolved to dedicate my whole life to overcoming the repressive and cold-war structure and to realizing a unified, democratic fatherland in the divided country.

I wish to be remembered by the people as a man who made the utmost efforts to reunify the divided country and to make parliamentary democracy take root in this land, instead of being remembered as another politician in the constitutional history of this country in the remote future.

Thank you very much for listening to my speech to the end. [applause]

Burma

Fresh Arms Shipment From Singapore Reported
BK2910055288 Hong Kong AFP in English 0550 GMT 29 Oct 88

[Text] Singapore, Oct 29 (AFP)—A ship carrying several containers of arms set sail from Singapore Saturday [29 October] for Burma where the government has faced months of unrest, a source close to the Karen ethnic rebel movement said here.

There was no official confirmation of the reported shipment.

Five or six containers of arms were loaded aboard the MS Mergui overnight, the source said, citing shipyard workers.

The Port of Singapore Authority confirmed the ship was scheduled to sail for Burma Saturday morning but gave no details of the cargo.

Burma Five-Star Shipping Corp., agent for the MS Mergui, said earlier that the vessel was in port to take on machinery and general cargo for Rangoon.

"We are certain the only cargo it is carrying back to Rangoon is arms and nothing else," the source said. He could give no details of the type or value of the alleged arms shipment.

Last Wednesday, the source said that two containers of arms had already left for Rangoon aboard a chartered vessel after Burmese shipping services, disrupted by civil strife, resumed earlier this month.

Canadian Diplomat Visits Elections Commission
BK2910084788 Rangoon Domestic Service in Burmese 1330 GMT 28 Oct 88

[Text] Mr (Anthony Broyer), charge d'affaires ad interim of the Canadian Embassy in Burma, came to the Office of the Commission for Holding Multiparty Democratic General Elections at No 94 Natmauk Road, Bahan Township, Rangoon Division, at 1400 on 28 October to meet with the chairman and members of the commission.

In a cordial and frank manner, the chairman and members of the commission answered questions on holding multiparty democratic general elections.

Saw Maung Addresses Military Graduates
BK2810160688 Rangoon Domestic Service in Burmese 1330 GMT 28 Oct 88

[Text] The graduation ceremony of the National Defense College training course No 39 was held at 0930 today at the conference hall of the Defense Ministry. It was attended by Lieutenant General Than Shwe, vice chief of

staff of Army; Rear Admiral Maung Maung Khin, vice chief of staff of Navy; Major General Tin Tun, vice chief of staff of Air Force; Brigadier General Aung Ye Kyaw, Adjutant General; Major General Phone Myint, Quartermaster General; Major General Sein Aung, commander of No 1 Special Operations Unit; Major General Chit Swe, commander of No 2 Special Operations Unit; Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Colonel Tin U, secretary-2; senior officials of the Defense Ministry; Lieutenant General Thein Lin, vice principal of the National Defense College; course instructors; and graduate officers.

General Saw Maung, chief of the Defense Forces, addressed the graduation ceremony, saying that the Defense Forces being born out of the people have always been part of the people and that it has always upheld and maintained its noble origin and tradition. He added that the Defense Forces have been able to effectively crush the insurgents because of its full trust in the strength of the people and its ability to join with the people in the tasks for national defense and crushing destructive elements. He said only the people's strength plays a major role in any kind of battle and that it is important to remember that any battle can be won with the people's support and encouragement and that no battle can be won without that support. He said it is very essential for the Defense Forces to be part of the people.

He said the graduates are to have close contact with indigenous people in the Union and organize them and brief them on the situation in the country.

Speaking on the need to organize the people, he said even before the establishment of the one-party system, the Defense Forces had assumed the name of the People's Army and had acted in accordance with the code of the People's Army and had always stressed the need to organize the people even in those days. He said organizing the people does not mean organizing them on a political basis only. He said it would be absolutely wrong to assume that because members of the Defense Forces are no longer allowed to be members of political parties they have no responsibility to organize the people. He said it is essential for all Defense Forces to organize the people to contribute to their military success.

Speaking on insurgency, he said presently, due to joint military operation by the people and the Defense Forces, the insurgents have given up their inner territories and have taken shelter at border areas where they engage in smuggling and vices for their survival. He added that the joint military offensives by the people and the Defense Forces were able to smash the major camps of the BCP [Burma Communist Party] and KIA [Kachin Independence Army] in the border areas. He said the military strength of the BCP and KIA insurgents, who no longer receive foreign military assistance, has declined and they are resorting to trading in opium.

He said the economic situation of the KNU [Karen National Union] has also declined since their smuggling routes had been blocked and they are facing manpower problems and are forceably recruiting youths and controlling them through fear. He said they are trying to get international support under the pretext of racial, religious, and ideological causes to get out of their difficulties. He said they have also formed the NDF [National Democratic Front] to wage the struggle with their combined forces. He said the insurgents tried to exploit the recent violent disturbances in the country by attacking Mong Yang and Methawe camps to test the strength of the Defense Forces, believing that the situation has gone out of control. They took advantage of some international governments' misunderstanding us by stepping up activities to get support from these governments. He said the insurgents will be completely crushed one day when the Defense Forces obtain the full encouragement and support of the people.

Reviewing the current situation in the country, he said it is inevitable that the country has to switch to a multiparty political system and that under the multiparty system, members of the Defense Forces as well as the Civil Service are no longer permitted to join any political parties and they are to be neutral in their thoughts and deeds. He said members of the Defense Forces are to act in accordance with the guidelines contained in the directive of the chief of the Defense Forces issued on 12 September 1988—to ensure that the multiparty elections are the freest and fairest; to avoid corruption; to permit each Defense Forces personnel to vote freely according to one's wish; not to use influence, issue orders and instructions, make threats, coerce, and use blackmail in lobbying others to vote for a candidate belonging to a party of one's choice; to strictly respect and abide by the laws, acts, and rules and regulations prescribed for the elections; to avoid words and deeds which could adversely affect the prestige of the Defense Forces.

He said members of the Defense Forces should understand the important point that the country's fate now lies in the hands of the Defense Forces and that the members of the Defense Forces are carrying out very important responsibilities. He said it is a very crucial time at present. He said only the Defense Forces alone at present remain united and strong to ensure perpetuation of the state. He said if the Defense Forces disintegrate, the country will disintegrate as well. He said the Defense Forces could not remain indifferent to the prospect of the disintegration of the country and had to assume state power.

He said although the situation has become considerably stable, it is not completely so. He said not only are the overt and underground organizations taking advantage of the recent deteriorating situation, but we also have to consider the external influence mentioned earlier. He called on them not to treat any matter as trivial, but to think and act with great vigilance on all matters.

The graduation ceremony for the National Defense College course No 39 ended at 1040.

Trade Ministry Revokes Trade Restrictions

BK2910154988 Rangoon Domestic Service in Burmese 1330 GMT 29 Oct 88

["Proclamation No 1/88 of the Ministry of Trade of the Union of Burma, dated 29 October—4th day of the waning moon of Thadingyut, 1350 Burmese Era"]

[Text] 1. With a view toward easing the living conditions of the people and developing the state economy in all aspects, the Government of the Union of Burma is firmly pursuing a policy to facilitate more effective participation of the cooperative and private sectors in addition to state enterprises.

2. Accordingly, the Ministry of Trade has, effective today, repealed the following notifications and orders which had prohibited the rights of private entrepreneurs concerning local and foreign trade and services undertakings.

A. Notification No 6 issued on 27 July 1963 by the Trade Development Department of the Revolutionary Government, prohibiting the right to carry out commission agency work.

B. Order No 9 banning export work issued on 11 April 1964 by the Trade Development Department of the Revolutionary Government.

C. Notification No 10 dated 27 September 1966 of the Trade Department of the Revolutionary Government under which only the government has the right to purchase commodities.

D. Notification No 11 dated 27 September 1966 issued by the Trade Department of the Revolutionary Government, designating retail shops to sell restricted commodities.

E. Rules are to be amended for the convenience of the exporters in applying for the registration. Notification No 2/88 of the Ministry of Trade issued on 18 March 1988 concerning application for registration and license for export has been annulled.

Signed: Colonel Abel, Minister of Trade

Further on Trade Deregulation

BK2910155488 Rangoon Domestic Service in Burmese 1330 GMT 29 Oct 88

[Text] As part of the economic reforms, the government has allowed cooperative societies and private entrepreneurs to carry out local and foreign trade, which can now be carried out individually, in partnership, or as a company.

Cooperative societies and private entrepreneurs can now undertake, according to rules and regulations, local and foreign trade in all goods except teak, petroleum, natural gas, pearls, and gems.

Private entrepreneurs, partnerships, and cooperative societies wishing to undertake import and export shall apply to the Ministry of Trade for registration. The ministry after scrutinizing each application will issue importer and exporter registration cards.

Registered importers and exporters shall apply for license to the Ministry of Trade each time they import or export.

Out of the foreign exchange earned from exports, an appropriate amount would be allotted for the entrepreneurs concerned for import.

Those wishing to undertake being commission agents who link import and export can do so after registration with the Ministry of Trade.

Under such economic changes, private entrepreneurs doing such businesses by making large capital investment shall do so individually, in partnership, or by establishing a limited company.

Those wishing to establish a limited company shall do so after making registration in accordance with the provisions of the existing Burma Companies Act.

An Import-Export Registration Office and Company Registration Office have already been opened at No 653/691 Merchant Street in Rangoon, and details can be obtained at the offices.

Ministry Deregulates Fuel Trade

BK2910151888 Rangoon Domestic Service in Burmese 1330 GMT 29 Oct 88

["Proclamation No 1/88 of the Ministry of Energy, the Government of the Union of Burma, dated 29 October 1988—the 3d day of the waning moon of Thadingyut, 1350 Burmese Era"]

[Text] In exercising the powers conferred upon it under Section 3-1 of the Essential Goods and Services Act, the Ministry of Energy has designated organizations under the Ministry of Energy and cooperative societies, or private traders officially permitted by the ministry to store, distribute, and sell petroleum products and natural gas products.

The petroleum products are: motor spirit, superior kerosene, high-speed diesel, (coca) gas oil, furnace oils, aviation fuels, [words indistinct] oil, special boiling point solvent, petroleum coke, jute (?packing) oil, wax, earth oil, machinery and motor oils, gear oils, and hydraulic oils.

The natural gas products: liquefied petroleum gas, compressed natural gas, methanol, liquid ammonia, and urea fertilizer.

[Signed] Rear Admiral Maung Maung Khin, Minister for Energy.

Investment Restrictions Eased

BK3110135288 Hong Kong AFP in English 1313 GMT 31 Oct 88

[Text] Rangoon, Oct 31 (AFP)—Burmese authorities have freed the private sector and allowed foreign investment in an attempt to revive the nation's ailing economy after 26 years of rigid socialist economic policy, a member of the military government said here Monday.

Trade Minister Colonel Able said in a one-hour meeting with the press that the government had removed all restrictions prohibiting the private sector from undertaking internal and external trade.

He said the main aim of the government's economic reforms, which included allowing foreign investment, was to alleviate the living conditions of the people and boost the cooperative and private sectors.

The government on Saturday repealed all announcements and orders that prohibited private entrepreneurs from undertaking external and internal trade "either individually, in partnership or by setting up companies."

However, state radio reported Saturday the government had excluded teak, petroleum, natural gas, pearls and gems from goods permissible for local or foreign trade by cooperative societies and private entrepreneurs.

A senior Burmese economic expert said the liberalized policy allowed the private sector to engage in export and import and to commission agencies previously restricted to state corporations.

"The socialist economic system has been totally thrown out of the window," the expert said.

Col. Able said trade incentives would be provided for entrepreneurs who engage in export to see that they do not lose out.

Analysts here interpret this to mean the government is to provide indirect subsidies or price adjustments.

"An equitable trading system, beneficial to both sides, and investment programmes will be made clear in investment laws soon to come out," Col. Able said, adding that the government's intentions were "very sincere."

An International Chamber of Commerce was to be revived "as a link between the government and the merchants," he said.

Analysts found the change of trade policy inevitable and necessary.

"Burma's rich reserves in terms of both natural and human resources can only be fully mobilized and effectively used under a free economic system," one expert said.

The initial response to the government move was positive, and many potential investors appeared interested in registering as companies, partnerships and sole proprietors, observers here noted.

"At this stage there's nothing to doubt the sincerity behind such declared changes," the senior expert said.

"If the climate is right, any investor, foreign or domestic, will surely not lose any opportunity to do business with and in Burma," he added.

Col. Able said Burma had no plans to devalue its currency, whose exchange rate is generally regarded as unrealistic.

Political Parties Continue To Register

Peace, Welfare Organization

BK3110115888 Rangoon Domestic Service in Burmese
1330 GMT 30 Oct 88

[Text] The Organization of Peace and Welfare for Democracy, Union of Burma, which has its headquarters at No 35, Tayoktan Street, Aung Chantha Ward, Ye-U Township, Sagaing Division, has been permitted registration as of 28 October 1988 in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 69 of the Commission for Holding Democratic Multiparty General Elections.

The Organization of Peace and Welfare for Democracy has been formed with the following Central Executive Committee:

Chairman: Thakin Su, former member of the Constituent Assembly and the 1947 Constitution Drafting Committee

Vice Chairman: U Taikkyi Maung

General Secretary: U Myint

Joint General Secretary: U Soe Nyunt

Treasurer: U Myint Swe

Members: U Tin Maung, U Ba Kyi, U Win

Democratic People's League

BK3110132488 Rangoon Domestic Service in Burmese
1330 GMT 30 Oct 88

[Text] The Democratic People's League, which has its headquarters at No 36, 27th Street, First Floor, Pabedan Township, Rangoon Division, has been permitted registration as of 28 October 1988 in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 67 of the Commission for Holding Democratic Multiparty General Elections.

The Democratic People's League has been formed with the following Central Executive Committee:

Chairman: U Maung Maung Ohn Myaing, advocate, writer

General Secretary: U Sein Nyunt of Shwebo, B.A., A.G.T.I, R.L., advocate, retired electrical engineer

Joint General Secretary: U Salai Sein Maung, B.Sc., former chairman of Universities Chin National Literature and Culture Club

Treasurer: U San Shwe of Insein

Members: Dr. Than Win, M.B.B.S, retired medical officer; U Nyein Win, B.Sc, E.T.E.C, retired chief of section; U Khin Maung Aye of Taunggyi, B.A, B.L, advocate; U Tin Shwe U, alias Tin Shwe U Myaungmya, B.A, D.J; U Aung Khin, B.A, R.L, private tutor; U Aung Thein, B.A, H.G.P, R.L, retired personnel of the Burma Broadcasting Service; U Sein Hlaing of Kyaiklat, B.A, R.L; U Soe Nyunt, B.A, R.L, advocate, secretary of the Kalembo Township Association.

International Friendship Party

BK2910121988 Rangoon Domestic Service in Burmese
1330 Oct 28 Oct 88

[Text] The Society for International Friendship, Union of Burma, which has its headquarters at No 58, 1st Floor, Barr Street, Kyauktada Township, Rangoon Division, has been permitted registration as of 27 October in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 61 of the Commission for Holding Democratic Multiparty General Elections.

The Society for International Friendship, Union of Burma, has been formed with the following Central Executive Committee:

Chairman: Dr Maung Maung Kyaw, B.A., B.L., LL.D, member of Independence Roll of Honor

Vice Chairman: U Than Maung, B.A., B.L., member of Independence Roll of Honor, Naing Ngant, Gonyi title holder

General Secretary: U Ye Myint, B.A., B.L., LL.M., Chief Court Advocate

Treasurer: U Htay Myint, B.A., B.L., Chief Court Advocate

Secretary: Dr Saw Htoo, M.B.B.S.

Secretary: U Tin Maung Thein, B.A., B.L., Chief Court Advocate

Secretary: U Chit Hlaing, B.A., R.L., Chief Court Advocate

Secretary: U Kyaw Win, B.A. and Law, LL.B., Chief Court Advocate

Librarian: U Hla Min, B.A. and Law, LL.B, Chief Court Advocate

Members: Daw Khin Soe Moe Aung, B.Sc., Solicitor; U Tin Wai, artist; Dr Aung Than U; U Aung Tin, journalist; U Hla Myo, B.A. and Law, LL. D., Chief Court Advocate

Rakhine Unity and Democracy

*BK2910133288 Rangoon Domestic Service in Burmese
1330 GMT 28 Oct 88*

[Text] The Rakhine Unity and Democracy Association, which has its headquarters at No 200, Min Ba Gyi Street, Mawli Ward, Sittwe Township, Rakhine State, has been permitted registration as of 27 October 1988 in accordance with Section 5A of the Political Parties Registration Law. This was stated in Announcement No 59 of the Commission for Holding Democratic Multiparty General Elections.

The Rakhine Unity and Democracy Association has been formed with the following Central Executive Committee:

Chairman: U Tha Gyaw alias Bonpauk, holder of Naing Ngan Gonyi title, Second Class

Vice Chairman: U Tun Hla, member of Independence Roll of Honor, First Class, and Naing Ngan Gonyi title, Second Class

Secretary: U Kyaw Tha

Deputy Secretary: U Tun Zan

Treasurer: U Ah Tun

Members: [names indistinct]

All-Burma Progressive Democracy

*BK2910134288 Rangoon Domestic Service in Burmese
1330 GMT 28 Oct 88*

[Text] The All-Burma National Progressive Democracy Party, which has its headquarters at No 470/B, (Ahka) Street, (Semyauk) Ward, Thaketa Township, Rangoon Division, has been permitted registration as of 27 October 1988 in accordance with Section 5A of the Political Parties Registration Law. This was stated in Announcement No 60 of the Commission for Holding Democratic Multiparty General Elections.

The All Burma National Progressive Democracy Party has been formed with the following Central Executive Committee:

Chairman: U San Maung alias U Maung Maung Zaw Win of Kawhmu

Vice Chairman: U Tin Min Htaik of West Taungtha

General Secretary: U Ohn Sein of Rangoon

Joint General Secretary: U Min Maw of Dawbon

Treasurer: U Kan Nyunt of Waw

Auditor: U Aung Naing of Shwebo Wetlet

Organizer: U Min Din of Moulmein

Members: U Kyaw Min of Thaketa; U Aung Min of Magwe.

8 More Political Parties Register; Total Now 69

*BK2910094288 Rangoon Domestic Service in Burmese
1330 GMT 28 Oct 88*

[“Press Release No 32/88 of the Commission for Holding Democratic Multiparty General Elections, dated 28 October 1988—the 3d day of the waning moon of Thadingyut, 1350 Burmese Era”]

[Text] The following parties have been allowed to register with the commission on 28 October 1988 in accordance with the Political Parties Registration Law:

1. National Party
2. Kayah State All Nationalities League for Democracy [KNLD]
3. Arakan People's United Organization
4. Shan National Development Democratic Party, Union of Burma
5. Democratic People's League [DPL]
6. Party for Unity and Peace
7. Organization of Peace and Welfare for Democracy, Union of Burma
8. Union Youth Party

As of today, 69 political parties have registered with this commission in accordance with the Political Parties Registration Law.

Aims of Chin State-Based Party Announced

*BK3110105288 Rangoon Domestic Service in Burmese
1330 GMT 30 Oct 88*

[“Press Release No 35/88 of the Commission for Holding Democratic Multiparty General Elections, dated 30 October 1988—the 5th day of the waning moon of Thadingyut, 1350 Burmese Era”]

[Text] 1. The following are the extracts of the objectives and future programs of the (Zomin) National Congress, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No Ba-gon 9, (Le-gwe) ward, Tiddim Township, Chin State.

2. Objectives

- A. To work for the emergence of a genuine democratic government which is in accordance with the wish of all the national people and which guarantees inherent basic human rights;
- B. To work for the emergence of a genuine democratic system on the basis of the unity of the national people;
- C. To build within the Union and among the national peoples, regardless of race or religion, friendship, fair and equitable rights, and national unity;
- D. To lay the foundation so that our country will remain, for the future generations, a long-lasting, stable, strong, and independent Union where a genuine democratic system thrives in accordance with the wishes of all the national peoples.

3. Work programs

- A. To support and safeguard the democratic rights of all the citizens of the Union;
- B. To safeguard and defend the friendship of the national peoples, their fair and equitable rights, the national unity, and the sovereignty of the Union;
- C. To practice an independent and open foreign policy and safeguard world peace;
- D. To strive on all sides to revive the national economy in the shortest time possible by practicing a free market economy at home and abroad;
- E. To guarantee the right to study a profession or a vocation of one's choice.

Army Seizes Private Land; Security Cited

BK3110143288 Hong Kong AFP in English 1410 GMT
31 Oct 88

[Text] Bangkok, Oct 31 (AFP)—The Burmese military has seized small private land holdings adjoining an army base in a garrison town north of Rangoon for security reasons, Rangoon-based diplomats said Monday.

A Burmese lieutenant-colonel and his family were among those evicted in the seizure on October 20 in Hmawbi town, some 80 kilometers (50 miles) north of Rangoon, said the diplomats reached by telephone from Bangkok.

Bulldozers have been moved into position where houses and other structures have been built on the land holdings by the legal private owners, the diplomats said.

The diplomats said the Army had cited security reasons for seizing the land, the area of which was not known.

The army, which seized power in a September 18 coup, had offered no compensation, they said.

Rangoon Requests Resignations of 10 Diplomats

BK3110113088 Hong Kong AFP in English 1103 GMT
31 Oct 88

[Text] Bangkok, Oct 31 (AFP)—Rangoon's Foreign Ministry has requested the resignations of 10 Burmese diplomats in the capital for allegedly joining pro-democracy marches, Rangoon-based diplomats said Monday.

The resignations of the diplomats, ranking as high as departmental director at the Foreign Ministry, were requested last week, the Western diplomats reached by telephone from Bangkok said.

The Burmese diplomats were allegedly among civil servants and other members of the public who joined student-led marches in the streets of the capital calling for democracy and an end to 26 years of single-party rule, they said.

The Burmese military seized power September 18 and launched a post-coup crackdown on the pro-democracy protests, promising to hold general elections once law and order is restored.

The diplomats were expected to deliver their resignations and leave government service permanently, they said, adding that no further action was expected by the government against the diplomats.

There were also rumors that the Foreign Ministry had recalled a number of Burmese diplomats from embassies that allegedly came out in support of the pro-democracy movement during two months of public unrest that preceded the coup, the Western diplomats said.

But these rumors could not be confirmed.

Information Officers Hold News Conference

BK2810163688 Rangoon Domestic Service in Burmese
1330 GMT 28 Oct 88

[Text] At 1400 today, the Information Committee of the State Law and Order Restoration Council held a news conference for the domestic and foreign press at the Ministry of Information.

As regards the weapons which were seized yesterday afternoon, it has been explained that the prior information has been received that these weapons had been hidden at Thayet Taw monastery and therefore timely discussions and coordination were made with responsible authorities in order to retrieve these weapons. Although these authorities said that these weapons would be returned in time, they were unable to do so. Fearing that these would delay peace and tranquility as time went on, such searches had to be made after obtaining definite information. In connection with this case, a few monks had to be called in for interrogation, and some are still being interrogated. The information officers added that further investigations will be made to retrieve the remaining weapons.

In explaining the progress of return of the students at the border areas, 380 students had already returned as of 23 September as was known to the media. From 24 September to 27 October, a further 145 have returned and therefore a total of 525 have already come back to date and more are still coming in.

Then the media was briefed on the clashes with the various insurgent groups in the states and divisions during the period between 22 and 27 October. After answering queries from the domestic and foreign media, the meeting came to an end at 1430.

In explaining the clashes between the Defense Forces and the insurgents, the media was told that four clashes took place in Kachin State between 22 October and 27 October. Four from our side were killed, five wounded,

and three weapons lost. On the enemy side, 10 were killed, 1 captured, 1 weapon seized, and there was no surrender and no retrieval of hidden arms.

In Kayah State, three clashes took place. From our side, one was wounded, and casualties on the enemy side were not known. Two enemy soldiers surrendered, and one weapon was received. There was no retrieval of hidden arms.

In Karen State, two clashes took place. From our side, 3 gave up their lives for the country, 17 were wounded, and 2 weapons were lost. Enemy casualties were not known, and there was no surrender and no retrieval of hidden arms.

There were no clashes in Chin State and Sagaing Division.

In Tenasserim Division, there were five clashes, one of our men was wounded, and there was no surrender and no retrieval of hidden arms.

In Pegu Division, there were two clashes, one of our soldiers had to give his life for the country, and two were wounded. Casualties from the enemy side were not known, there was no surrender, but 13 weapons were retrieved.

In Magwe Division, there were no clashes, but one weapon was retrieved.

In Mandalay Division there were no clashes.

In Mon State, five clashes took place. There were no casualties on our side. An enemy corpse was recovered and seven weapons were retrieved.

No clashes took place in Rakhine State and Rangoon Division.

In Shan State, 16 clashes took place, 7 of our soldiers gave their lives for the country, 16 were wounded, and 6 weapons were lost. On the enemy side, 10 were killed, 1 captured, and 4 weapons seized. There was one surrender, and one weapon was retrieved.

No clashes took place in Irrawaddy Division, and 19 weapons were retrieved.

A total of 37 clashes took place in the states and divisions, 15 of our soldiers gave their lives for the country, 42 were wounded, and 11 weapons were lost. On the enemy sides, 21 were killed, 2 were captured, 3 surrendered, and 42 weapons were retrieved.

As for the students and youths who fled to the insurgent camps along the border because of the false rumour that the Defense Forces would arrest them, not only have they been received at the 27 reception centers but also leaflets explaining the stand of the Defense Forces have

been airdropped along the border so the students know the true stand. Students are coming back, and as of 23 October, 380 have returned. From 24 October to 27 October, 145 more have returned, and a total of 525 have returned so far. More students are coming in.

Continuing further, the information officials said that the last date for the return of students is fixed as 18 November, and this last date is made known to the students by other means, and therefore it is hoped that the students will be able to return on time. The insurgents might block the students' return, but it is learned that the students who arrived in the other country [Thailand] were given assistance by the authorities there. The leaflets dropped by our planes fell on insurgent camps and in the country on the other side, it was learned according to their newspapers.

He explained that there are about 3,000 students and youths who have fled to insurgent camps.

Government Reinforcement Convoy Said Ambushed
BK3010044088 Bangkok THE NATION in English
30 Oct 88 p 1

[By Amnat Yuwaphan]

[Text] Methawe, Burma—Rangoon's attempt to reinforce this remote, recently captured stronghold with over 1,000 troops on Friday, following a fierce month-long battle for its control, ended in abysmal failure, with the troops becoming captives.

The convoy was ambushed by Karen forces and troops from the 64th and 66th divisions were surrounded about six kilometres from their destination atop Doi Mae Pho mountain, where about 100 Burmese soldiers have been stranded for weeks. The mountain is south of Doi Kham opposite Tak's Tha Song Yang district.

The Burmese troops arrived by boat about 60 miles (96 kilometres) from Methawe and were marching toward Doi Mae Pho when the Karens attacked with 60-mm and 81-mm mortars.

According to a Burmese soldier, who defected to the Karen forces yesterday, government troop casualties were high as the Karen succeeded in surprising the troops. The Karen forces carried off their attack before the army troops, which were carrying heavy artillery, were able to set up and return fire.

Four Karen soldiers were killed and seven wounded during the battle, said a Karen source.

Cambodia

Hun Sen Returns From Visit to Laos

BK2910143988 Phnom Penh SPK in English
1129 GMT 29 Oct 88

[Text] Phnom Penh SPK October 29—Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the Council of Ministers and foreign minister of the People's Republic of Kampuchea, returned home on Saturday [29 October] afternoon after a three-day working visit to Laos.

Chairman Hun Sen and his party were welcomed home by Vice-Premiers Bou Thang, Chea Soth, and Kong Sam-ol, and other Kampuchean senior officials.

Leaves for Paris Talks 31 Oct

BK3110052088 Phnom Penh SPK in English
0506 GMT 31 Oct 88

[Text] Phnom Penh SPK, October 31—Hun Sen, chairman of the Council of Ministers and foreign minister of the People's Republic of Kampuchea, left here this morning for the third round of talks with Prince Norodom Sihanouk scheduled for early November in Paris.

His party includes Dit Munti, first deputy minister for foreign affairs; Cham Prasit, deputy minister at the Office of the Council of Ministers; and other senior officials.

Hun Sen and his entourage were seen off at Pochentong Airport by members of the Political Bureau of the People's Revolutionary Party of Kampuchea Central Committee, cabinet ministers, and other PRK officials.

Vietnamese and Soviet Ambassadors Ngo Dien and Rashit Khamidulin were present on the occasion.

Further on Departure for Paris

BK3110064088 Phnom Penh Domestic Service
in Cambodian 0430 GMT 31 Oct 88

[Excerpt] [Passage omitted] The Hun Sen-led delegation, which is to hold a third round of talks with Samdech Sihanouk in France, was seen off at the airport by Comrades Bou Thang, member of the KPRP Central Committee Political Bureau and vice chairman of the Council of Ministers; Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Men Sam-an, member of the party Central Committee Political Bureau and chairwoman of the Central Organization Commission; Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Ney Pena, member of the party Central Committee Political Bureau and chairman of the Central Propaganda and Education Commission; Chan Seng,

alternate member of the party Central Committee Political Bureau and vice chairman of the Central Control Commission; as well as other members and alternate members of the party Central Committee; leading cadres of state institutions; and several representatives of mass organizations.

Comrade Ngo Dien, ambassador extraordinary and plenipotentiary of the SRV, and Comrade Rashit Khamidulin, ambassador extraordinary and plenipotentiary of the USSR, were also present on the occasion.

SPK Reports Hun Sen Paris Paper Interview

BK2810073188 Phnom Penh SPK in French 0450 GMT
28 Oct 88

[Text] Phnom Penh, 28 Oct (SPK)—“What we are now demanding is to make a return of the Pol Pot regime impossible,” declared Hun Sen, chairman of the PRK Council of Ministers, in a recent interview with the daily “QUOTIDIEN DE PARIS.”

Chairman Hun Sen stressed that that remains the most important problem. However, he continued, it must immediately be made clear that this question involves the responsibility of not China alone but also Western countries which have been supporting the Khmer Rouge. Without Thailand, the Khmer Rouge would not have been able to continue to exist however important the aid China gives them. Without this Chinese and western aid, the PolPotists would have disappeared long ago. If a second tragedy befalls Cambodia, those countries will have to take their share of responsibility.

We have the possibility of preventing their return, provided this support is brought to an end, stated Chairman Hun Sen, who noted:

We have been coping with them all these last 10 years even as they were receiving support from the Sihanoukists, SonSannians, and many countries. They do not have the support of the population. That is why they were overthrown and could not come back.

The head of the PRK Government recalled that with Prince Sihanouk, “we have already created the framework of a political solution” which “relies on the recognition of several principles: the withdrawal of Vietnamese troops, the non-return to power of the Khmer Rouge, and the cessation of military aid to them.”

According to Hun Sen, “there are different ways to reach a solution.” He pointed out that one may “try to solve at the same time the international aspects of the problem.”

“At present, the situation has reached a stage when there exists a possibility to solve the international aspects of the problems before the internal aspects,” he noted, saying that he was “speaking of the withdrawal of Vietnamese troops and the cessation of aid to the Khmer Rouge.”

There are two possible configurations for a settlement of the international aspects, either a global solution, including an agreement between China, Vietnam, and Thailand or a partial solution: Thailand and Vietnam could reach an agreement between them.

As for the internal aspects, there also are two possibilities. First, a solution involving all Cambodian factions, including the Khmer Rouge who may participate in the political life of the country but must be excluded militarily. The other option is an agreement with Sihanouk.

Hun Sen stressed that all these possibilities are acceptable to him. But, he added, "I must emphasize that if the Khmer Rouge do not want to join the negotiations, then it seems to me indispensable that Hun Sen and Sihanouk might have to find a solution. The sufferings of the Cambodian people must not be prolonged. We are ready to cooperate with the forces of Sihanouk. That depends on him and how he can free himself from Chinese pressure. We share several common points with Prince Sihanouk: we are opposed to the return of the Khmer Rouge. Unfortunately, we have not reached agreement on the ways and means to prevent this return. We must eliminate the means that permit this return, that is, their military forces. If we fail to do that, there will always exist a possibility of their return to power.

The fact that eventually they will be accorded a political role already constitutes an important concession, and even a violation of morality. After World War II, the Nazis were punished. Nothing like that has been done here.

SPK Reports Hun Sen Remarks on Khmer Rouge
BK3010070688 Phnom Penh SPK in French 0402 GMT
30 Oct 88

[Text] Phnom Penh, 30 Oct (SPK)—"The Phnom Penh Government is prepared to let the Khmer Rouge play a political role in solving the Cambodian problem but will not make any military concessions," said PRK Chairman of the Council of Ministers Hun Sen.

During an interview granted on Thursday [27 October] to an AFP correspondent, Chairman Hun Sen, also minister of foreign affairs, affirmed that Khmer Rouge leaders should be eliminated from the process of a political settlement.

Hun Sen stressed that his government demands the elimination of Pol Pot, Ieng Sary, Ieng Thirith (Ieng Sary's wife), current leader of the Khmer Rouge Khieu Samphan, Son Sen, Ta Mok, Nuon Chea, and Ker Pok.

He added that if the Khmer Rouge are not disarmed, an uncontrollable civil war will break out. Those who think it is necessary to make political and military concessions to the Khmer Rouge in order to put an end to the current

situation in Cambodia are deceiving themselves. We prefer the current situation in which there are military activities by small groups and in remote areas to a civil war, specified Hun Sen.

The Khmer Rouge does not want a political solution, he noted. Their absence at the last meeting of the working group in Jakarta reveals their attempt to sabotage the political framework set up in Bogor.

If they persist in maintaining this stubborn attitude, it would be useless for us to worry about it because what is important is the interests of over 7 million Cambodians.

He said the Khmer Rouge were "on the brink of disintegration" because of their internal disputes. The fact that they recently accepted the idea of a UN peacekeeping force in Cambodia is proof of this. They were "on the defensive and have chosen to accept this force to protect themselves."

Hun Sen also denounced U.S. assistance to Sihanouk and Son Sann announced during the prince's visit to the United States. This proves that Washington "is not seeking a political solution but means to topple us. [no closing quotation mark as received]

Hun Sen insisted that his coming meeting with Prince Sihanouk will not bring any solutions to the "concrete problems" but could help reduce the gap between the two sides.

"The meeting is for us an encouragement and shows that each side is seeking a way out of the current impasse," stressed Hun Sen.

Indonesia

Netherlands' Lubbers Arrives for Visit 29 Oct
BK2910125288 Jakarta Domestic Service
in Indonesian 1200 GMT 29 Oct 88

[Text] The Netherlands Prime Minister Lubbers arrived at the Sukarno-Hatta International Airport this afternoon to begin an official visit lasting until 3 November 1988. On hand to welcome him at the airport were Coordinating Minister for Economics, Finance, Industry and Development Control Radius Prawiro, Indonesian Ambassador to the Netherlands M. Romli, the Netherlands ambassador to Indonesia, and other officials.

After resting for a while, Prime Minister Lubbers left for Pulau Hantu in the Pulau Seribu area. Mrs Lubbers is expected to arrive in Jakarta later tonight.

The visitors from the Netherlands will be given an official welcome in a ceremony by President and Mrs Suharto on Monday [31 October] at the Merdeka Palace, Jakarta.

During his visit to Indonesia, Prime Minister Lubbers will visit a coal terminal in Lampung, Konto River project in East Java, and deliver a speech before academics on the European Economic Community plan to form a single market in 1992 at the Gajah Mada University in Yogyakarta.

Meets With Suharto, Alatas

*BK3110065988 Jakarta Domestic Service
in Indonesian 0600 GMT 31 Oct 88*

[Text] President Suharto, accompanied by Foreign Minister Ali Alatas and Minister-State Secretary Murdiono, this morning met with Netherlands Prime Minister Ruud Lubbers at Merdeka Palace, Jakarta. During the meeting the head of state detailed the Indonesian government's ongoing development programs which can benefit and afford opportunities to Dutch entrepreneurs who invest in Indonesia. The president also spoke about ASEAN's development and the background to the holding of the Jakarta Informal Meeting.

Prime Minister Lubbers expressed confidence that with deregulation and the easing of bureaucracy carried out by Indonesia, Dutch investors will feel secure investing in the country.

Australia Urged To Renew Defense Cooperation

*BK2710135788 Jakarta JAKARTA POST in English
25 Oct 88 p 4*

[By Rikza Abdullah]

[Excerpt] Nusa Dua, Bali (JP)—Minister of Defense and Security General (retired) L.B. Murdani yesterday [24 October] invited Australia to renew a defense and security cooperation agreement and to improve ties in other sectors in a bid to maintain peace and stability in the Asia-Pacific region.

"We should promote appropriate forms of cooperation in this (defense and security) field" so that "we both may be able to avoid the feeling or perception that each may be threatened by the other," he told the 17th Indonesia-Australia Business Conference at Hotel Putri Bali here. [quotation marks as published]

"Now that the old forms of defense cooperation between our two countries have been concluded, discussions and exchange of views are timely and in order," he told the 2-day meeting, which was attended by about 170 Indonesian and Australian businessmen.

He said that Indonesia and Australia, as neighbors, have no other choice but to foster mutually beneficial cooperation.

The minister acknowledged that there have been real problems and issues in recent years due to lack of understanding. He did not specify those problems.

The bilateral relations were jolted in 1986 when an Australian newspaper carried a story about financial dealings of members of the first [Suharto] family. Another problem also occurred last month when an Australian yachtsman, David Blenkinsop, was killed in Irian Jaya.

"We will be able to avoid such unnecessary strains if we understand each other better, if we have greater patience and tolerance with our differences and greater sensitivity to each other's feelings, if we put our disagreements in perspective and look into the problem of mutual concern and interest with honesty, goodwill, and an open mind, and if we do not take each other for granted," Murdani said.

He said that the strains that had often soured the bilateral relations generally had a cultural background on which both sides lack mutual understanding.

"This is reflected in the kind of coverage in the Australian press of Indonesia and its problems," he said.

However, Murdani said that he would like to forget the past.

"I do suggest that we should have more contacts and exchanges of visits between our two peoples, including journalists, scholars, teachers, students, and youths for the promotion of cultural relations," he stated.

"We should avoid creating the impression of imposing each other's values and interfering in each other's internal affairs," he added. [passage omitted]

New Zealand's Marshall Holds Talks With Alatas

*BK2810022588 Jakarta ANTARA in English 0200 GMT
28 Oct 88*

[Text] Jakarta, Oct 28 (OANA/ANTARA)—Foreign Minister Ali Alatas and visiting New Zealand foreign minister Russell Marshall discussed various international issues of common interest during a meeting at the Foreign Office here on Thursday [27 October] evening.

Speaking to newsmen after the meeting, Minister Alatas said that he and his New Zealand counterpart discussed among other things a recent statement by Soviet leader Mikhail Gorbachev on the Soviet defence strategy in the Asia-Pacific region, on nuclear disarmament, the development program in East Timor and on the European Economic Community (EEC).

He said that the New Zealand's stance on East Timor is similar to that of Australia which supports Indonesia.

"So, actually there is no more problem on that issue," he added.

Concerning the Indonesian students in New Zealand, Minister Alatas said that he and Minister Marshall also took up the issue.

"We are discussing how to increase the number of Indonesian students in New Zealand," he added.

Earlier in the day, the New Zealand foreign minister, accompanied by Minister Alatas, paid a courtesy call on President Suharto at Bina Graha presidential office.

On Friday morning, Minister Marshall is scheduled to give a lecture to Indonesian young diplomats at the Foreign Office's research and development agency building at Kebayoran Baru.

Comments on Straits Closure

BK2810144288 Hong Kong AFP in English 1429 GMT 28 Oct 88

[Text] Jakarta, Oct 28 (AFP)—New Zealand's Foreign Minister Russell Marshall Friday said here that some sort of international arrangement should be made regarding a country's sovereignty over international sea-lanes in its territory.

Indonesia last month closed two straits used for international sea traffic for a few days for what Indonesian Foreign Minister Ali Alatas said was a safety precaution as naval exercises were being held in the area.

Answering a journalist's question at a press conference at the end of a three-day visit here, Mr. Marshall said that "an international arrangement should be made on the issue."

He added, however, that "I have enough faith in Indonesia and Australia to sort out this issue." Mr. Marshall said the issue was not included in talks with Mr. Alatas Thursday.

Australia and several Western governments have made diplomatic representations to Indonesia on the issue but Defence and Security Minister General Benny Murdani said Monday Jakarta viewed the move as its sovereign right.

Australian Foreign and External Trade Minister Gareth Evans said here Tuesday that Canberra could not accept Jakarta's claim of full sovereignty over the international sea-lanes in the Indonesian Archipelago.

Mr. Evans said he was confident that the problem "is unlikely to occur again in the future."

In talks with his Indonesian counterpart on Thursday, Mr. Marshall said he had discussed bilateral ties and various regional and international issues of common interest, including the developments of efforts to seek a solution in Cambodia.

He said that they had also discussed a recent statement by Soviet leader Mikhail Gorbachev on Moscow's defence strategy in the Asia-Pacific region, nuclear disarmament and the European Economic Community's plan to merge into a single market in 1992.

The minister, who arrived here Thursday for his first visit in his capacity of foreign minister, is scheduled to leave Saturday. Mr. Marshall will continue the trip with visits to South Korea and Japan.

Alatas, Singapore's Wong Discuss Cambodia

BK2910152888 Jakarta Domestic Service in Indonesian 1500 GMT 29 Oct 88

[Text] Singapore Foreign and Community Development Minister Wong Kan Seng and Foreign Minister Ali Alatas are of the opinion that the second Jakarta Informal Meeting [JIM] to be held in Jakarta early next January will not be able to settle the Cambodian issue. Speaking after holding talks with Foreign Minister Ali Alatas, Minister Wong Kan Seng said that they agreed that the JIM should be continued because the Cambodian issue is a regional problem which should be settled through regional dialogue. Minister Wong admitted that other initiatives should be viewed to settle the Cambodian issue.

Ministers Ali Alatas and Wong agreed on how to settle fundamental differences through discussions, diplomacy, persuasion, and an exchange of views.

Agreement on Japanese Grant Signed 27 Oct

BK2710130788 Jakarta Domestic Service in Indonesian 0700 GMT 27 Oct 88

[Text] An agreement under which the Japanese Government will provide Indonesia with a grant amounting to over 33 billion rupiahs was signed in Jakarta today by Japanese Ambassador Sumio Edamura and Puji Kuntarso, director general for foreign economic relations of the Foreign Affairs Department, on behalf of their respective governments. The grant covers three projects financed by the 1988-89 annual Japanese budget. The three projects are those jointly agreed upon by the two governments during the 12th annual meeting on technical cooperation and grants held in Jakarta from 5 to 7 July 1988.

A total of 6.82 billion rupiahs of the aid will be used for a television news project covering editing and sound recording. The remaining 15 billion rupiahs and 11.5 billion rupiahs are respectively allocated for the construction of a neighborhood cleanliness training center and a clean water supply facility and the establishment of training facilities for the enhancement of post-harvest and rice production management.

Laos

Thai Military Delegation Arrives for Visit

BK2910054588 *Vientiane Domestic Service in Lao*
0430 GMT 29 Oct 88

[Text] In response to the invitation of General Sisavat Keobounphan, chief of the LPA General Staff, a military delegation of the Kingdom of Thailand led by General Chawalit Yongchaiyut, Army commander in chief and acting supreme commander of the Armed Forces of the Kingdom of Thailand, arrived in Vientiane to pay a friendship visit to the LPDR with a view to further developing and strengthening the brotherly relations and improving the mutual understanding between the peoples and Armies of the two countries—Laos and Thailand.

The delegation arrived at Wattai Airport at 0915 on 29 October. An honorable welcoming ceremony was held at the airport with the presence of an honor guard together and a number of high and intermediate ranking military officers of the LPDR National Defense Ministry. After deplaning, Gen Chawalit Yongchaiyut and members of his entourage were warmly welcomed by and shook hands with Gen Sisavat Keobounphan and the waiting Lao military officers. Accompanied by Gen Sisavat Keobounphan, Gen Chawalit Yongchaiyut was invited to inspect the honor guard. He also shook hands with the high and intermediate ranking military officers of the LPA and with His Excellency Niran Phanuphong, Thai ambassador to the LPDR.

After that, Gen Sisavat Keobounphan ordered the motorcade to take the visitors to the Guest House in Vientiane Capital.

It was reported that the military delegation of the Kingdom of Thailand paying a friendship visit to the LPDR is composed of:

1. Gen Chawalit Yongchaiyut, Army commander in chief and acting military supreme commander, as head;
2. Admiral Praphat Kritsanachan, Navy commander in chief;
3. Air Chief Marshal Woranat Aphichari, Air Force commander in chief;
4. Gen Phat Akkhanibut, deputy military supreme commander;
5. Gen Sunthon Khongsomphong, military chief of staff;
6. Mr Suwit Sutthanukun, secretary general of the National Security Council;
7. Gen Wanchai Ruangtrakun, deputy Army commander in chief;

8. Lieutenant General Somkhuan Suwan, deputy military chief of staff;

9. Lt Gen Arun Pariwattitham, deputy Army chief of staff;

10. Lt Gen Charan Kunlawanit, coordinator between the Defense Ministry and the Foreign Affairs Ministry.

The delegation was also accompanied by 61 auxiliary personnel and members of the mass media.

Sisavat Keobounphan Receives Delegation

BK2910145288 *Vientiane Domestic Service in Lao*
1200 GMT 29 Oct 88

[Text] The military delegation of the Kingdom of Thailand led by General Chawalit Yongchaiyut, army commander and acting supreme commander of the Thai Armed Forces, paid a courtesy call on General Sisavat Keobounphan, chief of general staff of the Lao People's Army and Lao senior military officers at the National Defense Ministry's Club at 1430 today.

Also present at the meeting was Niran Phanuphong, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos.

Gen Sisavat Keobounphan and Chawalit Yongchaiyut talked with each other in a profoundly amicable manner and reviewed friendly relations between the two countries and peoples on the basis of the spirit of the Lao-Thai and Thai-Lao joint communiques signed by Chairman of Council of Ministers Kaysone Phomvihane and former Thai Prime Minister Kriangsak Chamanan in 1979. They agreed that relations between the two countries' armed forces have been satisfactorily developed, particularly since the signing of the cease-fire agreement on 17 February 1988 and the issuance of joint communique on 24 February 1988. Both military leaders noted that such developments has constituted a good example for every region in the world and conform with the common trend in the region and the world. Every problem can be solved through negotiations and meetings for the benefit of peace and friendship.

The two generals reaffirmed that they will ceaselessly strengthen and expand friendly ties between the two countries in general and the two armies in particular for the common interest of the two countries, the armies, and peoples of Laos and Thailand.

At the end of the meeting, Gen Sisavat Keobounphan and Gen Chawalit Yongchaiyut and their parties exchanged souvenirs amid the atmosphere of friendship and cordiality.

Exchange of Military Attaches Planned
BK3010042088 Bangkok BANGKOK POST in English
30 Oct 88 pp 1, 3

[Text] Vientiane—Thailand and Laos have agreed in principle to resume the exchange of military attaches, suspended since the Pathet Lao takeover more than a decade ago.

Supreme Command spokesman Lt-Gen Narudon Detpradiyut said last night the proposal to exchange attaches was made by Army Commander Gen Chawalit Yongchaiyut in response to a call by the Laotian Chief of General Staff, Gen Sisavat Keobounphan, for closer military cooperation.

Gen Sisavat, he said, agreed to accept the proposal for consideration.

Gen Chawalit, who is leading a high-level military delegation for a two-day visit to Vientiane, met Gen Sisavat for a 45-minute informal session at the Ministry of Defence.

With Gen Chawalit are Supreme Command Chief-of-Staff Gen Sunthon Khongsomphong, Deputy Army Commander Gen Wanchai Ruangtrakun, Air Force Chief-of-Staff ACM [Air Chief Marshal] Woranat Aphichari, Navy Commander Adm Praphat Kritsanachan, Second Army Commander Lt-Gen Itsaraphong Nunphakdi, Third Army Commander Lt-Gen Siri Thiwapphan and National Security Council chief Suwit Sutthanukun.

Lt-Gen Narudon said Gen Sisavat proposed a hotline telephone link between Thai and Laotian officers so they could communicate immediately.

In response to this overture, he said Gen Chawalit suggested stepped-up contacts between the two armies should be made at all levels, including the exchange of military attaches and working groups.

Separately, Gen Sisavat told Thai reporters Laos was looking forward to expanding trade and economic relations with Thailand and the exchange of military attaches.

He also said the two countries would resume talks to settle the longstanding Ban Romklao border dispute when Prime Minister Chatchai Chunhawan visits Vientiane in the middle of next month.

Gen Chawalit and his delegation were received upon arrival at Vientiane's Wattai Airport by Gen Sisavat and by high-ranking Laotian military officers.

Emerging from the meeting, Gen Sisavat said the talks focused on strengthening relations between the two countries.

He said he looked forward to improved relations and closer cooperation in trade and economics following a declaration by Prime Minister Chatchai to transform Indochina from a battlefield into a trading market.

Gen Sisavat said Laos had withdrawn most of the troops from Boten, opposite Ban Romklao in Phitsanulok, leaving a small force to maintain peace and order.

The Laotian commander admitted communications between Thailand and Laos were poor and said he envisaged the construction of a border bridge.

On economic issues, Gen Sisavat said Laos wanted foreign investment in agriculture and forestry in order to solve "our mouth-and-stomach" problem first.

As the next step, he said, the country would like investment in the service sector, such as tourism.

The general insisted Laos is not a communist country.

"We believe in Buddhism and we talk the same language as the Thai people," he said. There remained a misperception about Laos by the Thai people, he said.

Gen Sisavat also said Thai-Lao relations could not be undermined by a third party.

Kaysone Phomvihan Receives Group
BK3110104088 Vientiane KPL in English
0907 GMT 31 Oct 88

[Text] Vientiane, October 31 (OANA-KPL)—"The current visit of the Thai military delegation to Laos is a contribution to further development of the time-honoured neighbourly relations of friendship between the peoples of the two countries and in response to their aspirations," said Kaysone Phomvihan, chairman of the Council of Ministers of the Lao PDR, while meeting with a Thai military delegation led by Gen [General] Chawalit Yongchaiyut, Army commander-in-chief, acting [military] supreme commander of the Kingdom of Thailand on October 30.

Speaking about military relations of the Armies of the two countries, the Lao chairman of the Council of Ministers praised the efforts of the military delegations which have opened up a road for the settlement of the border dispute between the two countries by strengthening peace and friendship. He described this very step as a good example for Southeast Asia and the world over which is in line with the prevailing peaceful world trend.

Kaysone Phomvihan, availed himself of the opportunity to send his warm regards to Thai Prime Minister Gen Chatchai Chunhawan [Rank as received] and expressed hope that he will have the opportunity to welcome the Thai prime minister soon. He also praised Thai women and the public at large for their active role in strengthening solidarity between the two nations. Of late, women

and public organizations of the two countries have exchanged visits whose purpose is to normalize the tradition of friendship between Laos and Thailand.

Statement Issued, Delegation Departs
BK3110104888 Vientiane KPL in English
0912 GMT 31 Oct 88

["Lao-Thai relations will be strengthened"—KPL headline]

[Text] Vientiane, October 31 (OANA-KPL)—"The success of the visit of the Thai military delegation to the Lao PDR will further strengthen and develop the relations between the Armies and peoples of the two countries in the spirit of the 1979 Lao-Thai joint communiques," reaffirmed Lao Gen [General] Sisavat Keobounphan and Thai Gen Chawalit [Yongchaiyut] at a press conference held here on October 30 before the Thai military delegation's departure, ending a two-day visit to the Lao PDR.

During its visit to the country, the Thai military delegation led by Gen Chawalit Yongchaiyut paid courtesy visits to Kaysone Phomvihane, chairman of the Council of Ministers of the Lao PDR, to Souphanouvong, president of the republic, Gen Khamtai Siphandon, minister of national defence.

Talks were held between the two military delegations. The Lao delegation was led by Sisavat Keobounphan, chief of the General Staff of the Lao People's Army. Some places of interest in Vientiane Capital were visited by the visiting delegation.

Expressing their points of views on the visit, Lao leaders hailed both sides' efforts aimed at normalizing and consolidating the friendship relations between the countries, Armies and peoples of the two countries.

The Thai delegation left here for home yesterday. Present at the airport to bid farewell to the Thai delegation were Gen Sisavat Keobounphan and high ranking officials.

Kaysone Phomvihane Holds Meeting With Hun Sen
BK2810133288 Vientiane Domestic Service in Lao
1200 GMT 28 Oct 88

[Text] Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, held a working meeting, in Vientiane, with Comrade Hun Sen, Political Bureau member of the KPRP Central Committee and chairman of the PRK Council of Ministers, who paid a working visit to the LPDR at the invitation of the LPRP Central Committee and the LPDR Council of Ministers on 27-28 October.

Attending the working meeting on the Lao side on this occasion were Comrade Phoun Sipaseut, Political Bureau member of the LPRP Central Committee, vice chairman of the Council of Ministers, and minister of foreign affairs; Comrade Maisouk Saisompheng, member of the party Central Committee, minister, and head of the Office of the party Central Committee and of the Council of Ministers; and Comrade Soulivong Phasiththidet, deputy minister of foreign affairs. Attending on the Cambodian side were Comrade Mrs Bo Rasi, deputy minister of foreign affairs, and Comrade Li Hach, charge d'affaires ad interim of the PRK to Laos.

In the working meeting which proceeded in an atmosphere of close comradely and fraternal friendship, Comrade Hun Sen informed Comrade Kaysone Phomvihane of the internal situation of the PRK, such as the victories achieved by the Cambodian people in defending the country as well as in carrying out construction work in the PRK after the withdrawal of the seventh batch of the Vietnamese volunteer troops and military commands, the batch in which a larger number of troops were withdrawn as compared to the previous occasions. He said: the troop withdrawal will be completed in late 1989 or not later than the 1st quarter of 1990 at the latest. The Cambodian side also informed the Lao side of the orientations, policy, and concrete plan on the withdrawal of the Vietnamese volunteer troops, the withdrawal of which is related to the obstruction to the return to power of the Pol Pot clique in Cambodia as well as to a halt to foreign interference by rendering military assistance to the various conflicting Cambodian factions.

Comrade Hun Sen also further informed the Lao side of the PRK's national reconciliation plan and seven-point policy aimed at contributing to a political settlement of the Cambodian problem. The Lao side was also informed of the third meeting between Comrade Hun Sen and Prince Norodom Sihanouk, which is scheduled to be held in Paris in early November this year.

On this occasion, Comrade General Secretary Kaysone Phomvihane appraised and highly appreciated the great and all-round achievements of the PRK, achievements which have resulted in systematically improving the living conditions of the Cambodian people. Comrade Kaysone Phomvihane welcomed and voiced full support for the PRK's national reconciliation policy and seven-point proposal which reflect the good intentions and persistent efforts of the PRK in seeking a means to resolve the Cambodian problem by the various Cambodian factions themselves with a view to guaranteeing the benefits of the Cambodian people in the cause of building Cambodia into an independent, sovereign, neutral, and nonaligned country.

The Lao side also expressed high appreciation and support for the third meeting to be held in Paris in November between Comrade Hun Sen and Prince Norodom Sihanouk, and expressed the conviction that the meeting is bound to achieve glorious success which will

thus significantly contribute to solving the Cambodian problem through political means with a view to guaranteeing durable peace for the Cambodian people and bringing about genuine peace and stability to Southeast Asia and the rest of the world.

Hun Sen Ends Visit, Departs

BK2910111288 Vientiane KPL in English
0908 GMT 29 Oct 88

[Text] Vientiane, October 29 (KPL)—Hun Sen, Politburo member of the Central Committee of the People's Revolutionary Party of Kampuchea, chairman of the Council of Ministers of the People's Republic of Kampuchea, left here this morning by special plane ending his three-day working visit to the Lao PDR. The visit was in response to the invitation of the Central Committee of the Lao People's Revolutionary Party and the Government of the Lao PDR.

Seeing the delegation off at Wattai Airport were Phoun Sipaseut, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers and minister for foreign affairs of the Lao PDR, ministers, deputy ministers and other high-ranking officials.

Li Hach, charge d'affaires ad interim of the Kampuchean Embassy to Laos and the embassy's staff were also present at the airport.

Commentary Views Solution to Cambodian Problem

BK2910022088 Vientiane Domestic Service in Lao
0000 GMT 29 Oct 88

[Unattributed commentary: "Settlement of the Cambodian problem Must Be Carried Out in a Reasonable Manner"]

[Text] The search to find a settlement for the Cambodian problem has dragged on for nearly 10 years, but no concrete solution has been realized. Still, numerous efforts are made to settle the conflicting issues and opposing views on this problem—for example, the annual UN vote on Cambodia that will be coming up early next month and the holding of the next round of peace talks in Paris, France.

The remaining obstacle to an agreement on this problem is bargaining by the sides concerned on the withdrawal of Vietnamese volunteer forces from Cambodia and the cessation of aid in various fields given by various countries to the Khmer Rouge so as to prevent this clique from returning to power in Cambodia.

To achieve the goal of peacefully settling the Cambodian problem, the Indochinese countries have repeatedly made their stand known by proposing that the withdrawal of Vietnamese volunteer forces be simultaneously carried out with the cessation of foreign military assistance to the Khmer Rouge. This is a justifiable gesture aimed at ensuring Cambodian security. In fact,

the PRK and the SRV have already implemented this proposal with the gradual withdrawal of some 50,000 Vietnamese volunteer forces from Cambodia and the plan to withdraw the rest of them in accordance with a declared timetable.

This act has received extensive acclamation from the world public opinion which is, at the same time, condemning the Khmer Rouge. But some countries still appear to be insincere in expressing this condemnation. Instead, they pretentiously take the initiative in this action with the tricky intention of avoiding criticism from world public opinion while, in fact, they continue to give aid to and create all possible conditions for the Khmer Rouge to return to power in Cambodia, especially some of the countries in the ASEAN grouping.

The demand by some of the ASEAN countries for the withdrawal of all Vietnamese volunteer forces from Cambodia as a precondition for halting foreign assistance to the Khmer Rouge is not only unjust and unjustified, but also shows their intention to send the murderous Pol Pot clique back to Cambodia to carry out a genocidal campaign against the Cambodian people on a more serious scale. As long as some of the ASEAN countries maintain their uncompromising stand and adhere to this unjust condition, it is certain that the situation in Cambodia will continue to remain the same as it has been for nearly 10 years and that settlement of the Cambodian problem will be endlessly prolonged.

Thus, the only reasonable, correct, and just settlement of the Cambodian problem is to carry out the withdrawal of Vietnamese volunteer forces from Cambodia simultaneously with the cessation of foreign military assistance to the Khmer Rouge. This is the only way to achieve a realistic settlement of the Cambodian problem through peaceful means and to create a possible step for achieving lasting national reconciliation in Cambodia.

Philippines

Manglapus on Bases Agreement, Ratification

HK2810090188 Manila Radio Veritas in Tagalog
0700 GMT 28 Oct 88

[Text] Foreign Affairs Secretary Raul Manglapus has emphatically stated that it is up to President Corazon Aquino to decide whether to negotiate a new treaty for the maintenance of U.S. bases in the country after 1991.

In his speech before the Bishops-Businessmen's Conference in Makati, Manglapus said that if the president does give her consent, negotiations for a new treaty should start a year before expiration of the existing Republic of the Philippines-U.S. military bases treaty in 1991.

Nevertheless, Manglapus reiterated the president's oft-repeated statement that the decision will be left to the Filipino people.

Meanwhile, after his speech before the Bishops-Businessmen's Conference, Manglapus met with President Corazon Aquino in Malacanang. Later, he told newsmen that they discussed the issue of the planned border talks with Malaysia. He added that the issue of enforcement of the newly concluded memorandum of agreement on the remaining 2 years of the military bases in the country was also brought up in his meeting with the president.

[Begin recording in English] [Manglapus] Yes, well, we talked first mainly about the implementation of the memorandum of agreement on the MBA, the military bases agreement. That took us most of the time of the discussion.

[Reporter] Are we ready to start discussions with Malaysia on the border patrol issue?

[Manglapus] As to that, we are awaiting the formation of the Malaysian panel, and steps are now being taken by our legal adviser, Justice Coquia, to get in touch directly with the Malaysian Embassy. We are also in touch with the Malaysian Government through the Ministry of Foreign Affairs, through our ambassadors on both sides, and, hopefully, we can get the talks started in these coming months.

[Reporter] What are the instructions of the president on the bases?

[Manglapus] Well, the bases will require, the agreement will require implementation now. For example, we now have to start moving to get the properties in the facilities titled in the name of the Republic of the Philippines. That will take the process of registration...

[Reporter] Are you ready to discuss with the Senate the issue of ratification? The president said there will be a dialogue.

[Manglapus] We have already begun the dialogue. Two days ago, I had a dialogue already. We had a very cordial exchange of agreement.

[Reporter] But Senate President Salonga said he agrees that the bases pact would need ratification by the Senate.

[Manglapus] Well, at this stage, I don't think anybody in the Senate has yet formed a firm stand. The matter is under serious study, as it is said to be, by both the executive and the legislature.

[Reporter] When will they complete the study?

[Manglapus] I understand there has been some... the Senate has asked for assistance from experts to look into the matter. I think Senator Salonga is in a better position to clarify this.

[Reporter] Former Chief Justice Yap?

[Manglapus] I think Senator Salonga is in a better position to do this. Since I am not the one who made the appointment, I would rather not...

[Reporter] Will we have to wait for Senate to [words indistinct]?

[Manglapus] According to the agreement, that is effective immediately; but in the process of ratification, it is hardly immaterial for the other side, because, for instance, the MBA in 1947 received approval by resolution of, apparently, of the Congress of the Philippines. But there was no such process in the United States, yet the United States proceeded to cement it.

[Reporter] Will you ignore the Senate position, Sir?

[Manglapus] We never ignore the Senate, that is why we are in dialogue with it.

[Reporter] [Passage indistinct]

[Manglapus] We respect the Senate's position, and we hope we can come to an understanding. This morning, I appeared before an audience, the Bishops-Businessmen's Breakfast Conference, and the question was raised: What happens if the Senate insists on ratification and the ratification loses, will we go back to the 1937 agreement? Well, those are complications that will have to be studied. The implications will have to be studied by experts. I am glad that the Senate is consulting experts on it.

[Reporter] Are you worried about...

[Manglapus] That is a question that should be answered by opinions of experts and we are looking to the Senate telling us about its findings. [end recording]

Senators Agree on Treaty's Expiration Date

HK3110112588 Manila PHILIPPINE DAILY GLOBE in English 31 Oct 88 pp 1, 6

[By GLOBE staff writer Philip M. Lustre Jr]

[Text] Senators have reached a consensus that the Philippines-U.S. Military Bases Agreement (MBA) will expire on September 16, 1991 and not September 16, 1992, the GLOBE learned yesterday.

The Senate committee on foreign relations decided in a series of meetings shortly before the October 22 congressional recess that the MBA will expire on its original termination date in 1991.

The committee, chaired by Sen. Leticia Ramos-Shahani, has reported out for floor deliberation a consolidated resolution, setting September 16, 1991 as the actual date of termination of the controversial agreement.

The Senate, the treaty-ratifying body, will begin discussions of the resolution, when it resumes its regular session on November 21, the GLOBE has gathered.

Sen. Rene Saguisag has filed a resolution questioning the actual date of MBA's termination. Senate Majority Floor Leader Orlando Mercado and Sen. Alberto Romulo also filed separate resolutions on the issue.

Saguisag told the GLOBE the senators have taken into consideration the constitutional provision that the MBA would expire on September 16, 1991.

Section 25 of Article 17 of the 1987 Constitution says that the MBA would end in 1991 and that no foreign military base or troops shall be allowed in Philippine territory unless a new treaty is reached and ratified by two-thirds vote of the Senate.

Saguisag maintained that the Constitution has, in effect, superseded all previous agreements on the U.S. military bases here.

These include the 1966 exchange of notes between the Foreign Secretary Narciso Ramos and U.S. State Secretary Dean Rusk, requiring either party to submit a notice of termination at least a year before the termination date.

Because of this, Saguisag said the Philippines does not even have to submit a notice of termination since the Constitution does not require it. "There's no mention of it in the Constitution," he said.

The question on the actual date of the MBA's expiration has cropped out because of the interpretation that either party can submit a notice of termination under the Ramos-Rusk Agreement only after the expiry date of September 16, 1991, thus putting the termination date a year after.

Saguisag maintained that the Constitution is over and above the Ramos-Rusk exchange of notes since the former was ratified by an overwhelming majority of the Filipino people, while the latter was not even ratified by the Senate.

He said the U.S. Congress has not ratified the MBA or any other agreement, treating it as a mere executive agreement between the heads of state of the two countries.

"The Constitution is on a higher plane," he stressed. "The Constitution is much superior than the mere acts of department heads like Ramos and Rusk."

Saguisag said the issue of MBA's termination also raises the issue on which between international law or municipal law has primacy over the bases agreement.

Saguisag said the primacy of municipal law, which includes the Constitution and statutes, has been a settled doctrine in U.S. jurisprudence. A mere statute or constitutional provision, he said, can readily alter the provisions of any agreement like the MBA.

"Even a mere statute can prevail over an inconsistent international agreement," he said. "We are only applying American jurisprudence in defending the national interest," he added.

Saguisag, however, cautioned that the Philippines must still submit a notice of termination at least a year before the 1991 termination.

"This is to erase all doubts and technicalities," he said.

Meanwhile, the clandestine National Democratic Front (NDF) said in a statement: "With the signing of the amended Military Bases Agreement between the Aquino government and the United States, the curtain rings down on the first act of an elaborate farce which is meant to extend the rights of the U.S. on its bases here beyond 1991.

"In spite of the posturings and playacting, there was no doubt about the eventual outcome of the review of the bases agreement. And the slick way by which the final phase of the review and signing of the agreement was effected in Washington just goes to show how the United States was in full control every step of the way. This makes Corazon Aquino's maintenance of her 'options open' stance on the fate of the bases beyond 1991 a truly laughable second act to this ongoing drama to deceive the people."

The NDF statement added: "To divert the people's attention from the more fundamental issues concerning our national sovereignty and integrity, the U.S.-Aquino regime took a mercenary approach to the bases issue. Even then, the Philippines obtained a compensation package which is not only way below its asking price. It is one that is on a 'best effort' basis admixed with 'soft' components that do not benefit the people at all."

Column on Agreement Extension
HK3110104788 Manila PHILIPPINE DAILY GLOBE
in English 30 Oct 88 p 4

["Turn of Events" column: "Who Decides"]

[Text] We have nothing to do with the fact that President Aquino will be out of office before the RP [Republic of the Philippines]-U.S. military bases agreement runs out. But contrary to the provision of the Constitution and so much uniformed opinion, it does not expire in 1991 but must be specifically renounced in order to cease to be in force and in effect by 1992. This is not what GLOBE publisher Locsin calls a "novel interpretation" or an "overreading", as an enthusiastic piece by the editor puts it, of the agreement.

It is simply a factual rendering of the text of the exchange of notes between Foreign Secretary Narciso Ramos and U.S. Secretary of State Dean Rusk on Sept. 16, 1966 which amended the 99-year term of the original agreement, to wit:

"Unless terminated earlier by mutual agreement of the two governments, this Agreement and agreed revisions thereof shall remain in force for a period of 25 years from September 16, 1966 after which, unless extended for a longer period by mutual agreement, it shall become subject to termination upon one year's notice by either government."

Twenty-five years from Sept. 16, 1966 is Sept. 16, 1991. From then onward, either party may terminate the agreement on one year's notice. This means that provided one serves notice of termination on Sept. 16, 1991, the agreement expires on Sept. 16, 1992.

Can either party not unilaterally renounce the agreement before Sept. 16, 1991? No, for the simple reason that the agreement does not contain a termination clause before that date.

Can the agreement not be extended beyond Sept. 16, 1991 by mutual consent, as originally thought possible in the Ramos-Rusk amendment? No, for the simple reason that option has been withdrawn by the Constitution which says: "After the expiration in 1991 of the agreement between the Republic of the Philippines and the United States of America concerning military bases, foreign military bases, troops, or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when the Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting state."

"After the expiration in 1991." Although this is what the Constitution says, this we have seen is an error (repeat, error), and does not supersede the text of the agreement, nor can it possibly bind the U.S. But it has the irreplaceable value of requiring the Philippine government to serve notice of termination in 1991, and not to enter into a new one except in the form of a treaty duly concurred in by the Senate.

Now Mrs. Aquino's and the Senate's term expires on June 30, 1992. By the time the President and the Senate leave office, the agreement would still be in force, even if notice of termination shall have been served on Sept. 16, 1991. Is it moral, is it right, for the outgoing President, without any specific mandate, to enter into a "midnight agreement" which her successor—she will be succeeded, Teddy Boy—may or may not wish to carry out?

In the absence of a national consensus or even mere bipartisanship on this issue, the question is important not because the next administration would like to be the

one to hand it over to the Americans, as the GLOBE editor says (no one knows that), but precisely because it may not want to have a new agreement at all.

Leaving the matter in the hands of the next administration, we are warned, would encourage presidential candidates in 1992 to (attention: parental guidance required) "splay their legs" before the U.S. Understandably, the bordello queen and her associates will want to run every possible competitor out of town. But this assumes unfairly that everyone really wants to imitate what everyone denounces.

This administration, says Teddy Boy, will decide the bases question in 1991 and no one else. Foreign Secretary Manglapus is far more sober: "If we do not wish to make a gap, the determination will have to be made whether we want to consider the continuation of the agreement." He accepts the facts and is looking for a compromise. In the end, there is more to be said for his position than Teddy Boy's neo-official policy proclamation that this administration will decide the issue in 1991—and alone.

Finance Secretary Defends Compensation Terms

HK3110103788 Manila MANILA BULLETIN
in English 30 Oct 88 p 25

[Text] Finance Secretary Vicente Jayme defended yesterday the terms of the compensation package for the last two years (1990-1991) of the current RP [Republic of the Philippines]-U.S. military bases agreement (MBA), calling the debt reduction component a "very major breakthrough" in efforts of the Philippines to convince industrialized countries like the United States to accept new ways to solve our foreign debt problem.

In a press statement, Jayme said the U.S. wanted to pursue the Baker Plan, which relies on additional financing from commercial banks to sustain the growth of middle-income developing countries like the Philippines. The Plan, premised on unrealistic expectations, met opposition from many countries, including the Philippines.

"It is more significant that it was agreed to by the U.S. soon after it had taken a very strong position in the IMF-IBRD [International Bank for Reconstruction and Development] meeting held in Berlin last month, that it was against use of government resources for debt-relief solutions for middle-income countries which include the Philippines," Jayme said.

Foreign Affairs Secretary Raul Manglapus signed recently a new MBA covering the last two years of the 1947 RP-U.S. MBA under which the U.S. agreed to pay the Philippines \$481 million annually—as "hard" component.

The agreement was criticized by lawmakers and other socio-civic groups for being a far cry from the original demand of \$1.2 billion a year. The agreement expires on Sept 16, 1991.

Jayne said the debt-reduction component allows the Philippine government to use resources of the Economic Support Fund (ESF) which will total \$320 million, for two years to enable the country to engage in a voluntary market-oriented debt-reduction scheme.

The \$50-million housing loan program, guaranteed by the Housing Investment Guarantee (HIG), may also be used to take advantage of market discounts on existing Philippine debts due commercial banks to reduce the level of its external debts and realize savings in interest and amortization payments, Jayne said.

The new debt instrument in RP bond issues, can be enhanced through collateralization with U.S. Zero Coupon bonds purchased with ESF money.

Jayne explained that while the RP bonds are similar to the Mexican bond swap, the Philippines, unlike Mexico, can use ESF funds instead of its own reserves.

The experiments will be conducted on normal farm conditions to include all extraneous variables that would affect the product's effectivity.

Panel Said Optimistic on IMF Negotiations
HK3110113388 Manila MANILA BULLETIN
in English 31 Oct 88 p 45

[Text] Formal negotiations between the Philippines and the International Monetary Fund (IMF) begins on Nov 2 with the Philippine panel highly optimistic that the outcome would be successful.

The Philippines is seeking at least \$600 million from the IMF under a two-year program with the fund.

The Philippines has substantially complied with the performance criteria set by the IMF such as the level of net international reserves, reserve money, private sector borrowings, and inflation.

On a three-month moving average, inflation rate has declined to 4.1 percent in the third quarter of this year compared to 6.9 percent in the preceding quarter. On an annualized basis, inflation rate for the third quarter stood at 8.2 percent as against 9.3 percent in the second quarter.

The rate of annual growth of reserve money, a major determinant of liquidity in the financial system, has declined to 11 percent.

Nominal interest rates have likewise decreased. From an average of 15.92 percent, rates on secured loans went down to 15.48 percent in the third quarter.

Negotiations with the IMF may last for at least two to three weeks.

After negotiations with the IMF is completed, the Philippine negotiating panel will again sit down with the banks.

The Philippines will seek approximately \$1.2 billion from its 483 creditor banks to bridge a projected financing gap of \$3.1 billion in the next two years.

Additional borrowings are needed to sustain the country's economic recovery which has been going full blast.

With the recent signing of the new military bases agreement with the United States, it appears that the negotiations will proceed smoothly.

Although the banks agreed to participate in financing the projected gap, the definition of the gap was somewhat "hazy" due to still unresolved issues.

Part of that "haze" has now been lifted as a result of the conclusion of the bases agreement which will result in probable transfers which could be included in the new financing projections.

The Philippines will also negotiate with the World Bank several program loans.

These loans are on top of four loans amounting to \$504 million signed in September in Washington.

The new loans the Philippines is seeking include a financial sector loan, an energy sector loan, a loan for the industrial guarantee loan fund (IGLF) and another loan for the Apex development funds.

Marcos Supporters Picket U.S. Embassy
HK2810081788 Hong Kong AFP in English 0734 GMT
28 Oct 88

[Text] Manila, Oct 28 (AFP)—Supporters of deposed President Ferdinand Marcos picketed the U.S. Embassy here Friday to demand his return to the Philippines before his arraignment on racketeering charges in the United States.

About 200 demonstrators, most of them elderly women, chanted "Marcos forever" across a busy street from the U.S. mission, where unarmed police sat idly on the sidewalk, witnesses said.

Mr. Marcos is to be arraigned along with his wife Imelda and business associates, including Saudi jetset billionaire Adnan Khashoggi, on charges that they conspired to loot the Philippine Government and defraud U.S. banks of millions of dollars.

Lawyers for Mr. Marcos have asked that he be arraigned in Hawaii, where he has lived in exile since a nonviolent revolt ended his 20-year rule and installed the Corazon Aquino government in February 1986.

A placard raised by a Marcos supporter at the rally here said: "USA: We love democracy. Don't push us to communism. Bring bank President Marcos."

A 63-year-old grandmother, Juanita Garcia, said with her voice shaking that Mrs. Aquino, not Mr. Marcos, was the thief, but offered no proof.

"Everybody in the government now is a thief. Congressmen, senators—everybody," she said at the picket line.

Mrs. Aquino accuses Mr. Marcos of stealing billions of dollars through graft and business fronts during his 20-year rule and has sought the aid of the U.S. and Swiss Governments in recovering his allegedly illegally acquired assets.

Metro Manila, Nearby Provinces Under Red Alert
HK3110122188 Quezon City Radyo ng Bayan
in Tagalog 1200 GMT 31 Oct 88

[Text] The military placed all troops in Metro Manila and neighboring provinces on alert starting 1800 today in connection with the observance of All Saints' Day tomorrow.

According to Armed Forces deputy spokesman, Navy Captain Anselmo Cabingan, the purpose of this measure is to prevent bad elements from creating trouble while the people are in the cemeteries.

The provinces placed under red alert are: Bulacan, Rizal, Cavite, Laguna and Batangas. Under the circumstances, vacation leaves of all military men are cancelled.

Aquino Leads All Saints' Day Observance
HK3110071188 Quezon City Radyo ng Bayan
in Tagalog 0550 GMT 31 Oct 88

[Text] As the country began observance of All Saints' Day, President Corazon Aquino this morning visited the tomb of her late husband, former Senator Ninoy Aquino, as well as those of her parents, Dona Demetria Cojuangco and Don Jose Cojuangco, at the Manila Memorial Park.

As the visit was not announced, the Parangue police were not prepared for the president's trip and the president's entourage was delayed by heavy traffic.

Accompanying the president to the Manila Memorial Park were her children including Noy, Pinky, and Kris, and her two grandchildren. A mass was also celebrated.

After her visit, the Malacanang press corps was able to interview the president.

[Begin Aquino recording in English] Like all Filipinos, this is a very sacred tradition. We honor our dead. We also want to remember what they have done for us while they were still with us and also perhaps, to ask for their prayers. [passage indistinct] So, today, I ask that...all of us Filipinos pray that we will be united, that we will work for the good of all Filipino people and let God help us in our everyday task. [end recording]

Aquino Addresses People's Economic Councils
HK3010005688 Quezon City Radyo ng Bayan
in Tagalog 0821 GMT 29 Oct 88

[Speech delivered by President Corazon C. Aquino at the First National Convention of the People's Economic Councils at the Philippine International Conventional Center—live, broadcast in progress—slantlines denote passages in English]

[Text] /Mrs Vicky Garchitorena, Secretary Jose Concepcion, distinguished members of the Senate and House of Representatives, fellow workers in government, delegates to the First National Convention of the People's Economic Councils, honored guests, ladies and gentlemen:

/I am happiest when I can dialogue with people and people-based organizations like yours. A point you all know: Mine is an administration that was swept into power on the quest of a people's revolution.

/The second revolution is now upon us, and you are helping provide the people component of the ongoing economic revolution.

/This is why I heartily endorsed the plan of Secretary Jose Concepcion... [clears throat] excuse me...to form people's economic councils or PEC's all over the country when he first suggested it. Through you, I have a chance to tap the private sector, not the elitist leaders but those who rely on their homegrown resources and initiative to enhance productivity and generate jobs for the unemployed.

/A government with all its good intentions, organization and materials cannot accomplish everything to propel economic growth in the country. It needs the private sector orientation and collective participation of the small entrepreneurs like you.

/And so, I am immensely gratified to learn that in Abra, the PEC's have developed the bamboo craft industry. In Alfonso, Cavite, they have established a garments center, and in my own province of Tarlac, a financial assistance program that is the lifeblood of any business enterprise. In General Santos, your timely intervention helped settle the problem at the port of Nakar. In Cebu, I understand the PEC's helped our government save some P [pesos] 1

million with its suggestion that the city government purchase the more practical Macho jeep instead of the more expensive Lancer cars.

/In a very real sense, therefore, your small enterprises comprise the backbone of our economy. At a time when large businesses were hesitant about investing their capital in new ventures or were salting away [a form of smuggling] their precious dollars, you were already providing livelihood to our people through cottage industries. Thereby, you were helping create a pool of skilled workers for future industrial expansion as well as for the creation of forward and backward linkages such as through subcontracting arrangements.

/Now, perhaps, you could turn your efforts to assisting the government in meeting the challenge of insurgency.

/As you are aware, we have been implementing a national reconciliation and development program to help our misguided citizens return to the fold of the law. Within their limited capabilities and resources, our department of social welfare and development and the department of national defense have exerted their best efforts to help the rebel returnees adjust to the challenges of a normal life. This is where your 1,300 organizations can contribute in a substantial way by providing employment to these brothers and sisters of ours. Give them the opportunities to become productive citizens once again. As they rejoin their families, absorb them into the mainstream of the community's social, economic and political life.

/I have heard that you have passed in your first national convention a resolution urging the decentralization of certain functions of government which Vicky Garçhitorena has read to me.

/I could not agree more with you that this measure will ensure the faster delivery of government services to the people. That it will in turn encourage private businesses to establish their bases of operations in regions where the raw material supply and manpower are abundant is evident.

/Let me inform you that as early as April 25, 1988, I issued Administrative Order No 71 creating a joint legislative-executive committee on decentralization and local autonomy in compliance with a constitutional mandate to decentralize administrative functions. Then I issued Memorandum Circular No 63 on May 30, 1988 that launched four pilot decentralization projects, namely: Davao del Norte, Laguna, Negros Occidental and Tarlac. A cabinet action committee on decentralization was created to formulate plans and guidelines to implement this policy.

/Last Monday, I issued Memorandum Circular No 82 calling attention to the general provisions of the administrative code of 1987 which shall take effect on November 24. These pertain to the strengthening of regional

operations through the delegation of more authority on administrative and substantive functions by department heads to their regional offices, exactly as you have suggested in your resolution.

/Let me add that the new disbursement scheme now in full operation is making it possible to make budgetary releases directly to the regional offices concerned. Thus many an irritant that has slowed down the swift delivery of funds where they are needed has been removed.

/Your second resolution endorses the omnibus code to rationalize and promote small enterprises, establish a credit and insurance corporation, provide funds therefor and for other purposes.

/In my State of the Nation address delivered on July 25 this year, I promised: On the economic front, we must provide long-delayed incentives to the sectors that have powered our recovery, particularly the small and medium enterprises. Now two bills with the same thrust have been filed in Congress: Senator Leticia Shahani's bill in the Senate and Congressman Oscar Orbos' bill in the Lower House. Their provisions are now being harmonized so that I can certify the final product as an administration bill./

This is the result of my promise to you small entrepreneurs. While your business undertakings may be small in scale, probably due to lack of capital, you play an important role in our society. Through you, we get to know the problems and aspirations of businessmen in the provinces.

We may have grand chambers of commerce in the cities, we should, however, not forget the hardworking and persistent people's economic councils. [applause] Therefore, you should strive harder to strengthen our economic foundation.

I congratulate you all for the great contributions you make not only to your communities but also to the entire country.

Long life to all and thank you very much! [applause]

Political Institutions Viewed as Obstacles
HK2910084788 Manila THE MANILA CHRONICLE
in English 29 Oct 88 pp 1, 9

["Analysis" column by Amando Doronila: "Political Institutions Brought Back Counterreform Forces"]

[Text] President Aquino, appearing before foreign correspondents in Manila on Thursday, disclosed that, after exercising political power for more than 30 months, she had learned that politics was give-and-take. She further said that "one cannot institute reforms totally or right away. Effecting reforms takes time, and it is a step-by-step process."

I nearly fell off my seat upon reading the reports on her talk. It dawned upon me that it had taken nearly half of her term for her to come to terms with the reality that politics was about quid pro quo or, to put it more elegantly, the art of the possible and compromise. By Nov 21, she would be marking her 1,000 days in office, and, within that span of time, more visionary leaders could have shaken the world. In our jurisdiction, all we are getting is a confession that she has at last discovered the real world of politics.

What is more striking is her remark that reform takes time and is a step-by-step process. Of course, it takes time; that's what reform is all about—a gradual and evolutionary process. If the process were not so, that is, if it were drastic, then that would be a revolution.

But a review of her 1,000 days discloses that after that phony "revolution" of February 1986, there has evolved a counterrevolution or a counterreform process. Let me explain. The Aquino Presidency may be given high marks for institutional rebuilding. This achievement is being ignored by nit-pickers. But it requires serious examination because this will show that the restoration of political institutions has also brought back to the centers of power counterreform tendencies.

The restoration, in particular, of the electoral process and of Congress has reinvigorated social forces that have used the legislature to block social reforms. The last two elections—for members of Congress and for local officials—succeeded in excluding from political participation in the parliamentary arena the social groups seeking to allocate more equitably access to wealth and opportunities.

The foremost example of the re-entrenchment of conservatism facilitated by the reestablishment of free elections and of Congress is the emasculating of the land-reform legislation. While it may be argued, on the one hand, that the restoration of political institutions has contributed to relative political stability, on the other hand, these institutions have also legitimized the revival of counterreform, let alone counterrevolutionary tendencies.

In terms of policy emanating from the executive department, the counterreform and counterrevolutionary tide is even more pronounced. Following the release of political prisoners in February 1986 and the peace talks with the National Democratic Front, which collapsed in February 1987, the tide of liberalization of the political process began to reverse.

The human rights commitment of the Government has all but vanished, subsumed by the priority given to crushing the communist insurgency. I must qualify, however, that while the commitment has become a shell of the Government's flaming concern for human rights during the euphoria of the Edsa [Epifanio de los Santos

Avenida] triumph, this Government is not the repressive monster that the Marcos regime was. This is a saving grace—but, unfortunately, only marginally.

In institutional terms, the cleanup of the judicial system may have made it more independent than it was during the Marcos regime, but the emphasis on independence has not been matched by reform of the weakest aspect of that system—the delay in the administration of justice. Frustrating judicial delays, coupled with corruption on the lower levels of the judicial system vulnerable to pressure from politicians and influential people, do not ensure justice and fair play for poor litigants.

To the extent that the judicial system does not protect the poor and the powerless, purges of judges, especially those known to be the lackeys of the former regime and known to be corrupt, can hardly be called reforms.

One may argue that in the welfare area, there has been some reform in the sense that the executive mandate to make secondary education free is redistributive. This is true, up to a point. The "reform" is consistent with the traditional pattern of giving emphasis to education among other claimants for welfare resources.

Other than in education, I have to search with great effort to identify gains in reform.

If this Government basks with pride in its achievement in institutional restoration, this claim is based on superficial assessment of this "achievement." What we have really done in restoring the political institutions designed to provide a stable foundation for democracy is to erect fortresses in which social forces blocking reforms could dig in and continue obstructing reforms.

Perhaps, this reality has not escaped Mrs Aquino. She may not want to say it because she may not be prepared to take on the forces of reaction and counterreform. This is probably what she means when she says she cannot institute reform totally or right away.

But then, when is she going to use the powers of her office to fight back the counterreform tendency? If she does not make a move, she may become a captive of this tendency. The irony is that her efforts to rebuild electoral institutions to give her transition a more stable foundation is developing into a counterrevolutionary stronghold.

Reaction, Protests Resulting From Baula Death

Enrile, 'Hundreds' Demonstrate
HK2810150588 Hong Kong AFP in English 1450 GMT
28 Oct 88

[Text] Manila, Oct 28 (AFP)—Hundreds of protesters, led by opposition senator Juan Ponce Enrile, held a candle-lit demonstration here Friday night to denounce the shooting of a captured coup leader last October 15.

The rally was called to denounce the death of renegade Air Force Lieutenant Colonel Francisco 'Jun' Baula, who was shot dead in a stockade of Camp Crame, the country's police and paramilitary headquarters.

Mr Enrile told reporters that the rally at the gates of Camp Crame was intended to show "that there are a lot of Filipinos who believe that there is no more justice in this country."

Camp officials had said that Mr Baula was shot dead by his guards while climbing a ladder in an escape attempt.

But Mr Enrile and other rightist leaders suspect murder, citing an autopsy report showing that the trajectory of the fatal bullets was downward.

Many of the demonstrators Friday night were supporters of deposed President Ferdinand Marcos, who fled to Hawaii after being toppled in a popular revolt in February, 1986.

The Marcos loyalists protested earlier Friday at the U.S. Embassy in Manila against Mr Marcos's indictment in a U.S. court for allegedly siphoning money from official coffers to buy New York properties.

About 1,000 protesters blocked part of the highway fronting Camp Crame on Friday night, causing huge traffic snarls throughout the city, private radio broadcasts and eyewitnesses said.

Riot police secured the camp's gates, but there was no trouble.

Mr Baula was one of several renegade junior officers, led by now-cashiered Colonel Gregorio Honasan, who took part in a bloody coup attempt in August 1987 which claimed 53 lives, left 300 others wounded, and almost toppled the government of President Corazon Aquino.

The Air Force officer and two other followers of Mr Honasan were captured in a nightclub last month, but Mr Honasan remains at large after escaping from a military prison ship last April.

Mr Baula and Mr Honasan were both key members of the Reform the Armed Forces Movement (RAM), a banned military fraternity which was supported by Mr Enrile when he served as defense minister until he was sacked by Mrs Aquino in November 1986 after being linked to a coup plot by RAM members.

Other Rally 'Participants'

HK2810134988 Manila Radio Veritas in Tagalog
1300 GMT 28 Oct 88

[Text] About 1,000 people, led by Senator Juan Ponce Enrile, are presently holding a surprise rally in front of Camp Crame to protest the irregularities committed by the current administration, especially the slaying of renegade Colonel Francisco Baula. The demonstration is reportedly peaceful.

Other participants in the rally include opposition members Homobono Adaza and House member Rodolfo Albano. Also present at the rally is Vice President Salvador Laurel, who claims that Colonel Baula is a hero.

The rallyists are calling for the resignation of Armed Forces Chief of Staff General Renato de Villa and Secretary Fidel Ramos, whom they accuse of being responsible for the death of Baula while in military hands. The military alleges that Baula attempted to escape.

Colonel's Widow Files Charges

HK2810114588 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 28 Oct 88

[From "GMA News" program]

[Text] Mrs Gladys Baula today filed formal charges against the killers of her husband, former Lieutenant Colonel Francisco Baula Jr. Mrs Baula filed criminal charges with the office of Assistant Quezon City Fiscal Amado Costales. Charged with murder are Constables Bayani Barcenas and Jose Banares. They were the guards who shot Baula when the latter tried to escape from the Camp Crame stockade.

Named as accessories to murder are: General Renato de Villa, Major General Ramon Montano, AFP [Armed Forces of the Philippines] spokesman Colonel Oscar Florendo, Camp Crame commander Colonel Percival Adiong and stockade commander Major Robelito Cuniang.

Mrs Baula alleged that the respondents lied in their statements about Baula's death.

Classmates Demand Investigation

HK3010031488 Quezon City Sports Radio 738
in English 0000 GMT 30 Oct 88

[Text] The classmates of the Philippine Military Academy [PMA] of former Air Force Colonel Francisco Baula have presented a resolution demanding an impartial and thorough investigation of his death. Navy Lieutenant Commander (Ephraim Real), baron of PMA class '73, read the resolution during a meeting of members of the PMA Alumni Association in Camp Aguinaldo.

In the resolution, Baula's PMA classmates claimed that the former Air Force colonel was shot mercilessly by custodial forces of the PC-INP stockade while allegedly trying to escape. The resolution also said that the killing of Baula was a display of superior force subduing an unarmed individual by fire. The resolution added that truth, justice, and equity should be the paramount consideration in the probe.

Government Awaits Misuari's Reply to Proposal
HK3110090588 Manila Radio Veritas in Tagalog
0700 GMT 31 Oct 88

[Text] Senator Santanina Rasul announced that she is still waiting for MNLF Chairman Nur Misuari's reply on his proposal for a new dialogue with the Aquino government.

[Begin Rasul recording in English] We are still waiting for any message from Nur Misuari. The message that was sent to Nur Misuari was from the provincial government. The provincial governor sent a copy of the board resolution which incorporated an appeal of the provincial government to Nur Misuari, inviting him to again join the peace dialogue. And another board resolution was an appeal also to President Aquino asking her to meet in a peace dialogue with Nur Misuari. So far there has been no answer nor reaction from Nur Misuari.

So, on my own, I have sent a message to him also informing him of the initiative they have taken to again, once more, bring back the MNLF and the government to the negotiating table. We are still waiting for the reply from Nur Misuari because it is very clear even if the local liaison of Nur Misuari and the local commander want to have this peace dialogue, they still have to clear it with Misuari himself. This was explained to us by the local commander. But all of them are united in the thinking that there should be a continuation of the peace dialogue, and that definitely since the OIC [Organization of Islamic Conference] and the MNLF do not espouse secession, therefore, this peace dialogue which in effect—even if it isn't the grant of autonomy—is also in the Constitutional provision. [end recording]

Misuari Said Soliciting Aid in Saudi Arabia
HK3110042588 Manila Far East Broadcasting Company in English 2300 GMT 30 Oct 88

[Text] MNLF Chairman Nur Misuari was in Saudi Arabia this weekend. He was reportedly appealing to the Organization of Islamic Conference [OIC] and other Islamic organizations and individuals to release, augment, and extend moral, material, financial, and other vitally needed assistance to the MNLF. Misuari also asked the OIC to call an emergency meeting of its quadrapartite committee, which includes Saudi Arabia, Libya, Senegal and Somalia, to evaluate the situation in Mindanao.

Muslim Leader on Further Mindanao Development
BK2810115188 Quezon City RPN 9 Television
in English 1000 GMT 28 Oct 88

[Report by Ed Nanquil]

[Text] Newly installed Muslim Affairs Secretary Dimas Pundato, the moderate Mindanao reformist, today bared a formula to end secessionism in Mindanao, and Ed Nanquil reports.

[Begin recording] [Nanquil] In an interview after the turnover of the OMA [Office of Muslim Affairs] to him, Pundato called for more development programs for Mindanao.

[Pundato] Definitely, now that the program of President Cory Aquino is to hasten development and reconciliation programs in Mindanao, [passage indistinct]. But I think that there has got to be more good actions, drastic actions on the part of the government. For example, the Muslims in this country represent 8 percent to 9 percent. I think this is [words indistinct] to look into the aspirations of the Muslims.

[Nanquil] The former comrade of the secessionist leader Nur Misuari also pressed for the installation into sensitive offices of qualified Muslim leaders. Pundato is the leader of close to 10,000 armed Muslims belonging to the MNLF Reformist Group. While he demanded for immediate reforms, Pundato did not say clearly how [it would assist him in getting] Misuari to return the folds of the law. [sentence as heard] He also indicated the reshuffle of the 900-man Muslim office to keep in tune to present needs. Pundato also vowed to carry on projects initiated by his predecessor that will further the cause of Muslim brotherhood. Outgoing OMA Secretary Jiamil Dianalan pledged all the support he could give to make Cory's administration successful.

[Dianalan] The fact that I am here to turn over the office is an indication that I am for unity, love, and progress [words indistinct]. So, with the new secretary here, I can say that the Muslims will be in the right position.

[Nanquil] Ed Nanquil for Newswatch. [end recording]

Saudi Arabia To Attend Muslim Conference
HK3110044588 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT
31 Oct 88

[Text] Regarding the country's ban on domestic workers to Saudi Arabia, Senator Tamano said the country is trying to find a solution to the problem.

The labor attache at the Philippine Embassy, Ibrahim Malik, has confirmed that the ban had effectively been lifted as of this weekend. There are about 250,000 laborers in the kingdom who remit about \$800 million a year to the Philippines. Some 15,000 to 20,000 are domestic workers.

Both [word indistinct] said when the Philippines imposed a ban on exporting its housemaids to such countries as Saudi Arabia, the kingdom in turn imposed visa restrictions on all additional Filipino laborers.

Labor Secretary Franklin Drilon is expected to visit Saudi Arabia in early November.

Meantime, Saudi Arabia will attend an international conference in Manila addressing the problems of Philippine Muslims.

Senator Mamintal Tamano is in Saudi Arabia with a delegation (disclosing) the stronger communication links between the two countries. He said the demands of MNLF Chairman Nur Misuari were substantially met. Tamano did not spell out the purpose of the conference to be held in January, but it appears it is designed to publicize the cause of Filipino Muslims and break a stalemate in efforts to reach a compromise settlement with the Manila government.

Thailand

Chinese Premier Li Peng To Visit 10 Nov
BK2910142188 Bangkok XING XIAN RIBAO
in Chinese 28 Oct 88 p 3

[Text] PRC Premier His Excellency Li Peng is scheduled to arrive in Thailand on 10 November for a friendly visit at the invitation of the Thai Government. The Thai Government and all mass organizations attach great importance to Premier Li Peng's visit to Thailand. Thai Government agencies concerned have arranged a receiving program and have fixed an itinerary.

Major General Chatchai Chunhawan, chairman of the Thai-Chinese Friendship Association and concurrently the prime minister, while receiving the editor in chief of RENMIN RIBAO and his delegation, said that Premier Li Peng's visit to Thailand will make positive contributions to the promotion and strengthening of the good Sino-Thai relations, which has great significance. He will be warmly welcomed by the Thai Government and private organizations. The Thai-Chinese Friendship Association will host a grand welcoming party at Montien Hotel in Phatthaya at 1900 on 12 November. The Thai-Chinese Friendship Association has already sent invitations to its members and provincial branches in Bangkok to attend the party.

Chatchai Meets PRC Correspondents
BK2910101988 Bangkok ZHONG HUA RIBAO
in Chinese 27 Oct 88 p 4

[Text] Prime Minister Major General Chatchai Chunhawan received a visiting delegation of RENMIN RIBAO correspondents at his Ratchakhru residence on 25 October. Prime Minister Chatchai stressed that Thailand and China have a long history of close relations, but the relations were interrupted for a while because some misunderstanding countries had created differences. However, this issue is over. Thailand and China have restored their normal relations. At present, it can be said that there are no problems in relations between the Thai and Chinese peoples and governments.

Major General Chatchai said that Thailand and China must strengthen their trade cooperation instead of competing in trade. To remove obstacles in cooperation, China should first set up a good internal system for bringing in foreign investment. It is not just Thai businessmen who are interested in strengthening trade cooperation with China. Other countries are also willing to cooperate with China.

Major General Chatchai said: I hereby give my good will to the Chinese Government that it should build an airport on Hainan Island to provide convenience for foreign investment. In addition, China should also build more facilities that will help promote investments and simplify procedures for sending back remittances.

The delegation of the RENMIN RIBAO correspondents thanked the prime minister for his goodwill suggestions, and promised to pass his valuable opinions to the Chinese Government.

Deputy Prime Minister Receives Correspondents
BK3010123088 Bangkok ZHONG HUA RIBAO
in Chinese 27 Oct 88 p 3

[Text] While receiving Zhou Sheng and Lei Baisong, China International Broadcasting Station correspondents, on 25 October, Deputy Prime Minister Phichai Rattakun said that Thailand, China, and ASEAN consider Vietnam's occupation of Cambodia unacceptable. He also said: "Thailand, China, and ASEAN unanimously hold that Vietnam sending its troops to invade and occupy Cambodia is wrong and unacceptable." He pointed out: As long as Vietnamese forces stubbornly continue to remain in Cambodia, other countries will not extend economic cooperation with Vietnam. Deputy Prime Minister Phichai said that the Cambodian problem was caused by Vietnam sending its troops to Cambodia 10 years ago.

China, Thailand, and ASEAN share identical policies toward the Cambodian issue—adhering to noninterference in another country's internal affairs, letting the Cambodian people exercise self-determination, and settling the Cambodian problem through political means.

Cooperation between Thailand, China, and ASEAN has caused Vietnam to realize that maintaining its forces in Cambodia does not benefit Cambodia. Cambodia's economic chaos is an example. Whenever Vietnam withdraws its troops from Cambodia; Thailand, China, ASEAN, and other countries will extend their assistance. But, as long as Vietnam still stubbornly refuses to withdraw its troops, it can not expect other countries to extend economic cooperation. Deputy Prime Minister Phichai said: "During the Vietnamese-American war, China provided more assistance to Vietnam than the Soviet Union. But China considered it a mistake when Vietnam sent its troops to occupy Cambodia. Cooperation from Thailand, China, and ASEAN on the Cambodian problem is beneficial to the political settlement of the Cambodian problem.

Khmer Rouge Clarifies Position on Refugees
BK3110004988 Bangkok THE NATION in English
31 Oct 88 p 8

[From the 'Letters to the Editor' Column]

[Text] Several issues of THE NATION, particularly those of June 20 and September 17, 1988, have published articles dealing with the situation of the refugee camps run by the Party of Democratic Kampuchea (the Khmer Rouge) in the Coalition Government of Democratic Kampuchea (CGDK)....

The charge of human rights violations by Democratic Kampuchea in Site 8 camp is not justified....

Our camps are located in Thai territory, thus answerable to the sovereignty of the Kingdom of Thailand. Democratic Kampuchea has no right to set up a tribunal or a police to judge or punish its own citizens living inside those camps. Should Democratic Kampuchea systematically violate human rights or commit murders at random as being alleged, desertions, unrests and even uprisings would not fail to occur. Anyhow, the Royal Thai Government would not allow such practices in our camps....

If really Democratic Kampuchea commits atrocities against its own people or attacks its partners in the resistance, how can it enjoy such a wide support from the population and remain the main force fighting the Vietnamese aggressors, who boast of being the third strongest army in the world, for more than 9 years already. Based on these facts, how can the victims and survivors of the Vietnamese devastating and genocidal war be accused of committing human rights violations, crimes and murders. Those who commit human rights violations, deny the Kampuchean people their right to self-determination, the downright war criminals are none other than the Vietnamese aggressors themselves who have already massacred over 2 millions of Kampuchean and are still pursuing their ugly undertaking.

The charge of clandestine camp relocations by Democratic Kampuchea is groundless....

We have been forced by the Vietnamese war of aggression to seek temporary refuge on the hospitable soil of the Kingdom of Thailand as "displaced persons." Under these circumstances, whenever the National Army of Democratic Kampuchea succeeds in liberating wholly or partially any area of our territory which provides relative security, our people are bent on returning home. As Kampuchean citizens, this is not only their right but also their duty to participate in the war of liberation against the Vietnamese aggressors....

The charge of lack of cooperation and denial of camp access by the "Democratic Kampuchea Party" is also groundless....

In a letter dated August 20, 1987, I told Mr Kim Yun-yul, director of UNBRO [United Nations Border Relief Operation] the following:

"In the spirit of cooperation and as a confirmation of the already established practice, I would like to inform you formally that UNBRO personnel will be welcomed to those 4 camps (Na Trao, Huai Chan, Borai and Ta Luan) everyday to distribute humanitarian relief items.

Even before that date, UNBRO personnel have been able to visit these camps almost daily.

In another letter dated November 15, 1987, I confirmed once again our spirit of cooperation.

This cooperation should be based on the principles of non-interference in our internal affairs and of refraining from causing dissension among our compatriots because any split in the unity of our people will jeopardize the very survival of our nation....

[Signed] Sim Son

Representative of Democratic Kampuchea in charge of refugees.

Chawalit Views Relations With Laos
BK3110004588 Bangkok THE NATION in English 31
Oct 88 pp 1, 2

[By Phongsak Srisot]

[Text] Laotian leaders welcome Prime Minister Chatchai Chunhawan's policy of turning Indochina into a "marketplace" and want to revive a 1979 joint Thai-Lao communique of understanding, army chiefs of the two countries said yesterday.

Army Commander-in-Chief Gen Chawalit Yongchaiyut told a press conference in Vientiane that "every Lao leader I met" lauded Chatchai's idea as "right and suitable for the real situation" and vowed to support it.

Gen Chawalit's visit to Laos for talks on the Ban Romklao conflict and bilateral ties ended yesterday with both sides sharing an optimistic view that relations will continue to improve.

Lao Army Chief-of-Staff Sisavat Keobounphan told the same news conference Lao Premier Kaysone Promvihan appreciates Chatchai's intention to "turn the battlefield into a marketplace."

Sisavat said the Lao government is looking forward to Chatchai's visit to Laos scheduled for the end of November. Chatchai last week stressed the need to restore bilateral ties marred by the Ban Romklao conflict that left hundreds of soldiers from both sides killed and wounded in three months of fierce border clashes ending in February.

Sisavat said Chawalit's delegation and the Lao army agreed that the 1979 joint communique signed by then Thai prime minister, Kriangsak Chamanan, and Kaysone should be revived in order to improve ties.

The joint communique stipulates that Thailand and Laos:

- Will respect each other's sovereignty.
- Will not interfere in each other's internal affairs.
- Will not use force—on air, ground or water—to solve disputes.
- Will not support any third country that wants to invade Thailand or Laos.
- Will have economic and cultural cooperation.

Sisavat said observing the communique is a key solution to existing conflicts and will bring back the "brotherly" relationship.

He quoted Kaysone as saying that the truce reached in February and both countries' subsequent diplomatic efforts to end the conflict "will serve as an example for disputing countries in this region and the world."

Sisavat said he agreed in principle to Thai proposals for an exchange of military attaches and for the construction of a bridge crossing the Mekong River bordering the two countries.

Chawalit and Sisavat also said Thailand and Laos are looking beyond the Ban Romklao conflict to try to help bring peace to the region.

"It is too selfish to look only at ourselves. Although it is hard and difficult work to support and bring peace to our neighbours, it is full of dignity," Sisavat said.

Sisavat said on Saturday Lao security forces at the disputed Romklao village near Thailand's Phitsanuloke province have been reduced to "routine level" due to signs that formal talks on the border question can resume soon.

During Chawalit's two-day visit to Laos, the Thai military leader also met Lao President Souphanouvong, who is his distant relative, Premier Kaysone and Defence Minister Khamtai Siphandon.

"Prime Minister Kaysone said Thailand and Laos have succeeded in renewing their warm relations and will never be put back to square one," said Chawalit, who arrived at the Royal Thai Air Force's airport yesterday afternoon.

Speaking in the "Talks on the Country's Problems" programme on army-run TV stations last night, Chawalit said trade with Indochina is essential because it can serve as an outlet for Thai goods that markets in the free world cannot absorb.

"Opening to socialist markets will lead to compromise in the political field," he said.

The previous Thai government did not encourage trade with Indochina, particularly Vietnam which has invaded and is maintaining its troops in Kampuchea to back the Hanoi-installed Phnom Penh government. Chatchai vowed on the first day he was appointed prime minister to turn the "battlefield" into Thailand's market.

The much-publicized Indochina policy seems to have taken another step forward recently when the PM's Office assigned the Petroleum Authority of Thailand (PTT) to look into the possibility of selling petroleum products to Laos. The PM's Office's move came after the National Security Council switched on the green light for PTT to conclude a direct deal with the landlocked neighbour.

PTT is distributing oil products solely within Thailand. The deal with Laos will make the neighbour its first foreign market.

PTT has also planned to sell oil products to Kampuchea and upper Burma in the future after peace has been restored and the political situation has settled down inside the two neighbours, sources said.

Official Anticipates Rise in Thai-Lao Trade

BK3110090288 Bangkok Domestic Service in English
0000 GMT 31 Oct 88

[Text] Thai-Laotian trade is expected to continue to rise in the future with Thailand enjoying a surplus. According to director of the Regional Customs Office in Nong Khai, Kriangkrai Setkraikun, the trend is certain because Laos is still not in the position to produce their own basic

consumer goods. Besides, Thai and Laotian people have similar taste in household consumption while transportation of goods between the two countries can easily be made.

These factors, Mr Kriangkrai says, contribute to an increase in Thai-Lao trade volume. During the first nine months of this year, Thailand had a 500 million baht trade surplus with Laos. Bilateral trade passing through Nongkhai Province totalled 1,340 million baht made up of 920 million baht in exports and 420 million baht in imports.

DPRK Foreign Minister Meets Sitthi, Chatchai
BK2910011488 Bangkok THE NATION in English
29 Oct 88 p 3

[Text] Foreign Minister Sitthi Sawetsila yesterday said Thailand will speed up consideration of North Korea's request to establish an embassy in Bangkok.

Foreign Ministry spokesman Sarot Chawanawirat quoted Sitthi as saying during a two-hour meeting with North Korean Foreign Minister Kim Yong-nam that he had no objection to the request.

"We will speed up consideration of North Korea's request, but we have to consult with many other agencies concerned," Sitthi was quoted as telling his Korean counterpart.

Kim, who is also deputy prime minister, also called on both countries to strengthen their ties.

Sarot said the establishment of an embassy depends on the demand and volume of bilateral trade.

He added the two countries have agreed to increase trade to US\$200 million (about Baht 5 billion) annually. Trade volume between the two countries registered only Baht 1.2 billion (about US\$48 million), about Baht 1 billion in favour of North Korea.

The spokesman said North Korea promised to sell 300 tons of silk to Thailand last year, but so far only about 100 tons have reached Thailand.

He said the two countries have appointed a joint trade commission which will meet in the near future. The agreement to set up the commission was reached when Sitthi visited Pyongyang in August last year.

According to Sarot, Kim also briefed Sitthi on the problem of the reunification of North and South Korea. Sitthi responded only that Thai policy is to seek peace in the region, the spokesman said.

Officials of the two countries have increasingly exchanged their visits recently. A North Korean trade team led by Kang Chong-mo, deputy minister for foreign trade, met Wednesday [26 October] with Commerce Minister Subin Pinkhayan.

Kim made a courtesy call on Prime Minister Chatchai Chunhawan at Government House yesterday afternoon. He was later granted an audience with His Majesty the King at Chitlada Palace.

Thailand, which has close ties with South Korea, established diplomatic relations with North Korea in May 1975.

Military Ties With Burma, Uprising Viewed
42070003b Bangkok LAK THAI in Thai
22 Sep 88 pp 23-25

[Excerpts] [Passage omitted] Saw Maung and Big Chiu [subhead]

LAK THAI sought out a news source who has followed events in Burma and asked him how the Burmese military feels about the events there, which could easily develop into a civil war. The events in Burma will have a great effect on Thailand. Even though we are not interfering in their internal affairs, there are certain things that we can't ignore. The most important thing is the relationship between Gen Chawalit Yongchaiyut, or Big Chiu, and Gen Saw Maung. Because whatever their attitude is, that is the direction in which things will move.

A senior military officer said that the relationship between these two military leaders can be seen from the visit to Burma by Big Chiu. Relations between these two men have been very strong. They have maintained contact with each other, and the "conciliatory attitude" of Gen Chawalit has spilled over to the Burmese military. Our news source said that this is a soldier-to-soldier relationship. They exchange views on military and other matters. Gen Saw Maung made at least three unofficial and unreported visits to Thailand prior to Gen Chawalit's official visit to Burma.

The news source said that it is thought that Gen Saw Maung has kept in regular contact with Gen Chawalit, even during this period. At the very least, they stay in contact with each other as good friends who are concerned about each other. As friends, they certainly give suggestions to each other. They have undoubtedly discussed the situation there and what the position of the Burmese Army should be during the turmoil there. The advice given by Gen Chawalit is useful to Gen Saw Maung, the supreme commander of Burma. The position taken by the Burmese Army is rather strange. It is acting very differently from the last time there was a crisis. This probably stems from the advice given by a "good friend" to the east of Burma. The Burmese Army is acting very

carefully. It is trying to adjust to the situation so as to avoid conflict with the people and students. Does Not Believe It Will Abandon the Party [subhead]

Our military news source said that he does not think that the Burmese Army will abandon the Socialist Program Party and side with the students and people. Looking at the relationship between Gen Saw Maung and Gen San Yu and Sein Lwin, the leader who was toppled, Gen Saw Maung is so close to them that he can be called the "trigger" of the Socialist Program Party. Thus, it is very unlikely that Gen Saw Maung would stand between the the Socialist Program Party and the people who have risen up. The lack of action by the military does not mean that it sides with the students and people. A military policy must be formulated. Even the Burmese people are surprised by the fact that the Army has not taken resolute action to suppress the uprising this time. [passage omitted]

A military news source said that Thailand has a special action unit called Headquarters 514 that is responsible for security regarding the minority group problem and for security along our western border. Headquarters 514 has long been a very efficient unit. It has never been wrong in evaluating the situation or assessing the value of intelligence. With respect to the situation in Burma today, it is thought that Headquarter 514, which is composed of soldiers from various units, is providing correct data that senior commanders can use to make decisions. Also, if Rangoon "requests advice," these data can be used to provide the right advice. Burma knows that we have excellent capabilities concerning this. They do not consider this to be interference in their internal affairs, because this work is limited to the border area. This concerns the security of Thailand.

Security Command Releases Insurgency Figures
BK2910025988 Bangkok THE NATION in English
29 Oct 88 p 3

[Text] More than 240 insurgents have surrendered to Thai authorities this year, while 52 others have been arrested, the Internal Security Operations Command [ISOC] announced yesterday.

That leaves some 200-250 Communist Party of Thailand (CPT) members still active nationwide and about 1,000 Muslim guerrillas and Communist Party of Malaya (CPM) members in the South, according to an ISOC report issued yesterday.

Twenty Thai security forces have been killed and 70 others injured this year in crackdown operations, the report says.

Of the 244 insurgents who gave themselves up to authorities, 112 are CPT members, 66 Muslim guerrillas and 66 CPM members. The 52 arrested include 38 CPT members, 9 CPM members and 5 Muslim guerrillas.

This year's 63 crackdown operations killed 6 CPM members, 3 Muslim guerrillas and 1 CPT member.

Government forces this year overran 30 insurgency camps and seized 1,003 pistols, rifles and assault rifles with 162,830 rounds of ammunition; 9 heavy weapons with 6,600 rounds of ammunition; and 243 hand-grenades and landmines, the report says.

Vietnam

Hun Sen Interview on Khmer Rouge Role Cited
BK3110123788 Hanoi International Service in English
1000 GMT 31 Oct 88

[Text] Chairman of the Kampuchean Council of Ministers Hun Sen said Khmer Rouge leaders must be eliminated from the process of a political settlement in Kampuchea.

In a recent interview with AFP correspondents, Chairman Hun Sen said: Pol Pot and his close associates such as Ieng Sary, Ieng Thirith, Ta Mok, and some others must be removed. Chairman Hun Sen said: Failure to disarm the Khmer Rouge may lead to an uncontrollable civil war in the country. He described as an error for anyone to think of making political and military concessions to the Pol Potists. Chairman Hun Sen said: The Phnom Penh government is prepared to allow the Khmer Rouge, except for their top leaders, to play a political role in a solution to the Kampuchean problem. However, Mr Hun Sen added, there will be no military concession.

Thai Plan on Cambodia Issue Called 'Absurd'
BK2910122288 Hanoi International Service in English
1000 GMT 28 Oct 88

[Station commentary: "Recent Constructive Proposal Put Forward by Laos, Vietnam, and the PRK on Solving the Cambodian Problem"]

[Text] At the meeting of the working group of the Jakarta Informal Meeting [JIM] opened in the Indonesian capital on October 17, Vietnam, Laos and the People's Republic of Kampuchea (PRK) put forth a joint proposal for solving the international aspect of the Kampuchean question.

The proposal includes the carrying out of the Vietnamese troop withdrawal from Kampuchea simultaneously with the prevention of the genocidal Khmer Rouge return to power in Kampuchea and the termination of all foreign interference and aid to Kampuchians.

Thailand has put forth a counterproposal. The counterproposal concentrates on three issues, namely the withdrawal of Vietnamese troops, an end to foreign support to opposing Khmer parties, and the nonreturn of genocidal policies and practices.

It is notable that Thailand separated these two processes. They insisted in demanding the timetable of Vietnamese troop pullout from Kampuchea and ignored the timetable on ending all foreign interference and military aid to Kampuchean parties. This act by Thailand runs counter to the Jakarta Informal Meeting conclusion that these two key issues must be linked to each other in a political solution to the Kampuchean issue.

Foreign observers said this act of Thailand is impractical and absurd. Moreover, it cannot end the danger of the genocidal clique returning to power. In fact, the Khmer Rouge threat is looming large over the whole land of Angkor Wat. The NEW YORK TIMES said on October 21 that the Khmer Rouge had killed too many Kampuchean inmates in refugee camps near the Thai-Kampuchean border.

Mr. Kribia, coordinator of the UN Humanitarian Aid Program for Kampuchea said more than 7,000 Kampucheans in a refugee camp were reported missing. Obviously, failure to link the withdrawal of Vietnamese Army volunteers from Kampuchea with the prevention of Khmer Rouge return to Kampuchea and an end to all interference and military aid to Kampuchea more deaths and sufferings will be brought by the Khmer Rouge to innocent people of Kampuchea. [sentence as heard]

Samdech Norodom Sihanouk has affirmed that new slaughter houses have reappeared in Kampuchea and that blatant tears of innocent Kampucheans continued to shed. During his brief meeting with Samdech Sihanouk at the White House on October 12, U.S. President Reagan expressed the view that the United States does not want the Khmer Rouge return to power in Kampuchea.

Indonesian newspaper THE OBSERVER on October 19 said: Some ASEAN countries have failed to identify the root cause of the Kampuchean issue. Instead of preventing the Khmer Rouge return to power, they kept demanding Vietnamese troop pullout when this issue has actually been solved. The Indonesian newspaper added: It is not honorable to press for a Vietnamese troop pullout earlier than a convenient time as the Khmer Rouge threat remains palpable.

Do Muoi on Renovation of Society, Cambodia
BK3110100488 Hanoi VNA in English 0710 GMT
31 Oct 88

[Text] Hanoi VNA Oct. 31—Chairman of the Council of Ministers Do Muoi has granted an interview to Isidro Betancourt, correspondent of Radio Reloj of Cuba.

Asked about the current renovation in Vietnam, Chairman Do Muoi said :

"The line of renovating all fields of socio-economic life is the key to open the way for our country to overcome boundless difficulties and trials, the consequences of a

century of colonial domination, of 40 years of devastating war and also of our mistakes and errors due to voluntarism and failure to observe objective laws, particularly the mistakes in economic management.

"In the spirit of profound and all-round renovation, first of all renovation of economic thinking, we have striven to liberate all productive capacities and potentials of the country. To that aim, we have carried out the renovation of the economic structure, concentrating on the three major economic programmes worked out by the sixth party congress, viz, food, consumer goods, and export goods, and at the same time pushing ahead the combat against inflation in order step by step to stabilize the socioeconomic situation, develop production and stabilize and improve the people's living conditions. We have re-ordered the priorities in investment, paid more attention to the key projects, stimulated the development of all the five economic sectors including the private economy, family-sized economy and capitalist economy under state control aimed at creating more jobs and products for society. On the managerial mechanism, we are firmly abolishing the mechanism of bureaucratic centralism based on state subsidies and establishing the system of socialist economic cost-accounting, and returning the right to decision-making and autonomy in production and business to production establishments.

"Renovation in the spirit of the sixth party congress is of decisive importance to our revolution at the present stage, but, being a struggle to abolish the old and establish the new, it takes time and perservance because it affects everyone and takes place in the whole country. To implement this great task, it is essential that we mobilize the revolutionary ardour of the masses and really take the people as the root."

Asked about Vietnam's efforts aimed at ensuring peace in the region, Chairman Do Muoi said :

"Having had to cope with fierce and prolonged wars over the last 40 years, the Vietnamese people are earnestly longing for genuine peace to build their country. Vietnam stands for relations of friendship and cooperation with all countries, more particularly the countries in the region.

"We have done and will do our best to change the situation from confrontation to dialogue. Together with the meeting between Chairman Hun Sen and Prince Sihanouk, we have had the agreement reached in Ho Chi Minh City in July 1987 between Vietnam and Indonesia, representatives of the Indochinese and ASEAN countries and an informal meeting in Jakarta in July 1988 between the Kampuchean factions and the countries in the region. All this marked a step forward in the direction of dialogue, a breakthrough of the impasse over the past 9 years, has opened the prospect for settling the Kampuchea issue through a political solution, and created conditions for building Southeast Asia into a region of peace, stability friendship and cooperation.

"The support and encouragement of the Non-Aligned Movement of which Cuba is an active member has had an important effect on the process of dialogue between the Kampuchean factions and the Southeast Asian countries and is a very significant source of encouragement.

"We are confident that with the common goodwill of the Kampuchean factions and the determination of the countries in the region to continue cooperation, the Kampuchean issue will be settled by a fair and reasonable solution.

"Though many differences remain, the countries concerned in the region are well aware that only by following the path of peace, friendship and cooperation can each and every country have conditions for development."

On the Vietnamese-Cuba relations, Chairman Do Muoi said:

"Though lying half the globe away from each other, Vietnam and Cuba are bound by a fraternal and loyal friendship tested in the revolutionary struggle for the common noble purpose, namely peace, national independence and socialism.

"We deeply engrave in our mind the disinterested, devoted and wholehearted assistance, both material and moral, accorded by the party, government and people of Cuba headed by esteemed Comrade Fidel Castro to Vietnam in our anti-U.S. resistance war for national salvation in the past as well as in the peaceful construction at present. Cuba's aid and cooperation in agriculture, public health, tourism, post... are making their effect felt in the Vietnamese people's daily life.

"Implementing the resolution of the 6th Congress of the Communist Party of Vietnam and the resolution of the 3rd Congress of the Communist Party of Cuba [CPC], our two countries are joining efforts and closely coordinating actions to increase further the effect of these relations of cooperation for the benefits of the construction and defence of Vietnam and Cuba, and the common cause of peace, democracy and social progress in the world.

"I take this opportunity to convey through Radio Havana to the fraternal Cuban people, the Vietnamese people's warmest friendship and the conviction that under the leadership of the CPC headed by Comrade Fidel Castro, the Cuban people will win still-greater achievements and set a bright example to the entire Latin America in the struggle for national construction and defense."

Do Muoi Receives Filipino, Burmese Envoys
BK2810042688 Hanoi VNA in English 1520 GMT 27 Oct 88

[Text] Hanoi VNA October 27—Chairman of the Council of Ministers Do Muoi today received Philippine Ambassador Cipriano O. Leron who paid him a courtesy visit.

Also today, Burmese ambassador P. Kyaw Han paid him a farewell visit before leaving Vietnam for a new assignment.

Typhoon No 7 Causes Widespread Flooding
BK3010142888 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Oct 88

[Text] According to initial reports from the Central Floods and Typhoons Control Committee, during mid-October Typhoon No 7 and an ensuing tropical depression triggered heavy rains which, on the average, reached 100 mm in the areas from Thanh Hoa to Phu Khanh, and between 196 and 1,140 mm in Nghe Tinh.

Flash floods and floods have inundated ricefields, swept away crops and houses, and caused losses in life and property. In many rivers, flash floods were above alarm level 3. As for major rivers in Nghe Tinh, the floodwaters reached record levels or higher. As a result, some local back-up dikes were destroyed and large areas were under water.

As many as 249,000 hectares of land were affected by flash floods and floods, or nearly 40 percent of the 10th-month cultivated area in the above-mentioned localities.

According to a preliminary assessment, as many as 136,000 hectares of rice and subsidiary food crops were totally destroyed. In Nghe Tinh the figure stood at 9,000 hectares. Some 112,000 hectares of rice and subsidiary food crops were also affected, and the crop yields are expected to be reduced by 30-40 percent.

It has been estimated that as many as 218,000 tonnes of paddy were totally lost, or 16 percent of the overall 10th-month paddy yield. In terms of paddy equivalent, as many as 110,000 tonnes of subsidiary food crops were completely destroyed, or 44 percent of the overall 10th-month crop yield in all the above-mentioned provinces.

Altogether, some 350,000 tonnes of grain were lost, with Nghe Tinh, Nghia Binh, and Quang Nam-Danang Provinces being the hardest hit.

Flash floods and floods killed 100 people; tore down, swept away, or inundated hundreds of thousands of houses; and affected the lives of nearly 600,000 people. In addition, 1,257 buffaloes and oxen were killed while more than one million other domestic animals faced shortages of fodder.

Flash floods and floods destroyed or damaged 1.4 million cubic meters of dike, dam, and irrigation systems; more than 1 million cubic meters of communications networks; and many bridges and sluices. Hundreds of thousands of tonnes of cement and fertilizer were also damaged or swept away.

It is necessary to take urgent measures to quickly drain water from flooded areas and to promptly grow such subsidiary food crops as short-term corn and potatoes, as well as vegetables before the end of the winter crop season so people will be able to cope with food shortages. Active and adequate preparations must be made to get soil and cultivation patterns ready for the winter-spring crop season. It is important to take good care of unaffected rice plants and subsidiary food crops to ensure the best harvest results possible, thus creating a better source of food for people and fodder for animals.

Moreover, attention must be paid to helping the people cope with the aftermaths of floods by supplying them with food and protecting their health. Efforts must be made to repair schools, storage areas, and communication networks; and to normalize the lives of people in flood-stricken areas.

Damage in Central Provinces Heavy
*BK3110085688 Hanoi VNA in English 0740 GMT
31 Oct 88*

[Text] Hanoi VNA Oct. 31—The week-long spell of heavy rains and floods in mid-October have caused serious losses to seven central provinces namely Thanh Hoa, Nghe Tinh, Binh Tri Thien, Quang Nam-Da Nang, Nghia Binh, Phu Khanh and Gia Lai-Kontum.

According to initial reports 100 people died, 28 others are missing, over 580,000 ha of rice were ruined, 248,000 ha of subsidiary food crops damaged, nearly 140,000 houses wrecked, some 20,000 tons of rice submerged or washed away, about 1,300 buffaloes and cows killed, 1.4 million cubic metres of dams and 237 bridges of sluice gates were destroyed. A total of 600,000 people were made homeless.

The downpours which registered at 200-400 mm in many areas and (?recorded) at 596-1,140 mm in Nghe Tinh, caused serious food shortages in these localities where per capita food ration this year is feared to have been reduced from 219 kg to 90 kg. Worst hit are Nghe Tinh, Nghia Binh and Quang Nam-Da Nang Provinces.

In recent days, fertilizer, rice and maize seeds, animal feeds, medicines, money and other supplies have been rushed to the stricken areas.

Ha Nam Ninh Province Solves Food Problem
*BK3010091588 Hanoi VNA in English 0702 GMT
30 Oct 88*

["Sunday feature: Big Province Tries To Solve Food Problem"—VNA headline]

[Text] Hanoi VNA Oct. 30—The province of Ha Nam Ninh (population: 3 million), 90 km south of Hanoi, is a rice granary in the Red River Delta. Yet, until recently, it faced a perennial food shortage.

Explaining how the province's leadership has mobilized its population to tackle this problem, Dinh Gia Huan, chairman of the people's committee and deputy secretary of the party committee of the province, said: "With a bumper winter-spring rice crop early this year and a promising crop to be reaped this mid-October, we hope to achieve one million [metric] tons of rice this year, a target envisaged for 1990. This output will raise the per capita food share of Ha Nam Ninh Province to 300 kg or slightly over the national average."

Still in Huan's opinion, the province owes its success for three consecutive rice crops since mid-1987 to favorable weather, multicropping practice, soil improvement and irrigation utilization. Instead of growing one rice crop a year, the local farmers now cultivate three to four crops annually, two rice and one subsidiary food crops, depending on the land and the weather.

"For all that has been achieved," Huan said, "much remains to be done. The land needs constant improvement, especially those aluminous and saline areas. The irrigation network must be expanded to drain low-lying fields, about one metre below sea level, of floods in case of torrential rains (200 mm or more), and to irrigate high-lying fields in case of drought. The latter case requires the generation of more electricity for pumping machines."

He went on: "We have worked out measures concerning the renovation of agricultural management, the introduction of new rice and other strains, modification of the cropping structure and development of the food processing industry. This industry is intended to process several hundred tons of beef and pork the province can produce annually for export. We still have to turn to account our great potentials in the growing of industrial plants, fruit-trees and vegetables. We have just inaugurated a jute fibre-spinning factory to provide materials for the making of export items. However, all these economic measures could not bring us prosperity unless family planning is strictly observed."

News Conference Held on Third VFF Congress
*BK3110110288 Hanoi International Service in English
1000 GMT 31 Oct 88*

[Text] The Third Congress of the VFF will be opened in Hanoi from 2 to 4 November. Addressing a press conference in Hanoi on Monday [31 October], Mr Pham Van Kiet, secretary general of the VFF Central Committee, said: This conference is one of unity and renovation, marking an important turning point in the front's activities. The congress will review the front's activities in the past 5 years and determine its tasks and orientations in the coming period, adopted the amended statute, and appoint its leadership.

The congress will be attended by 600 delegates representing mass and religious organizations and people of all walks of life. Fourteen foreign delegations will also attend the congress.

Article Sees Decline in Army Discipline

BK2810144588 Hanoi Domestic Service in Vietnamese
2330 GMT 24 Oct 88

[Vuong Chat's Article: "Discipline in Primary Units Depends on Higher Echelons"]

[Text] The poor situation of primary units can be seen through many aspects. One of these aspects, discipline, is currently a hot issue that must be dealt with. Straightforwardly, we can say that Army discipline is declining. This is a major weak point and a cause of concern and anxiety for Army leaders and commanders, and of great concern to the various departments of our party, state, and people.

I think that the current situation of poor discipline can be generalized, in terms of its nature and extent, as being serious, prevailing, protracted, and slowly and inconsistently improving. In some respects, it has even worsened and cannot be checked. It has seriously affected the revolutionary character and glorious traditions of our Army. Some phenomena are odious and very strange to a revolutionary army. The extent of decline has reached an alarming level. It is high time to raise the question of restoring the title of Uncle Ho's soldiers. The truth, though too offending, must be told. We had better speak the truth rather than covering it up and allowing the situation to further worsen.

In recent years, the party and political tasks in the Army have never failed to mention the need to intensify and consolidate discipline, considering it a major objective of the campaign to enhance the fine nature, traditions, and combat strength of our Army. These tasks have been performed for decades now. A great deal of effort has been spent only to get incommensurate results.

It is of course very difficult to improve discipline given the current socioeconomic conditions of the country. However, we should not keep our hands tied in a fatalistic manner just because of the objective difficult circumstances.

The situation of declining discipline in units is too notorious and has been much talked about. However, it is not a reason for us to become pessimistic or to scream, criticize, and lay blame. On the contrary, we must remain very calm and adopt a very responsible and scrupulous attitude.

I think that the important thing is to correctly and accurately pinpoint the causes—the most decisive task—and then, on this basis, take the most effective measure.

In many preliminary and recapitulative conferences on the problems of discipline in primary units, the causes have been found and discussed in the units themselves and measures have been set forth for cadres in primary units to resolve the problems by themselves. I think that weaknesses in general, and poor discipline in particular, of primary units are not caused by the unit, even though from a certain standpoint, they might be caused by the units. However, if we look further and more thoroughly, we must look for the cause of causes—the most valuable decisive point of the situation—which means that we must take into consideration the role and position of higher echelons from regiments and higher levels.

Weaknesses in primary units are similar to dirty sediments settled at the bottom of water tanks. They are very dirty and should be left there. Yet, they were originally dust and other scum deposited from the surface. Let us cite an example: Regiment A has infringed on discipline because its men have cut down trees, destroyed forests, and stolen timber from the local people. Those guilty soldiers must be disciplined and nothing can protect them. However, in the long run, such a fence-breaking phenomenon would recur if their immediate supervisors continued to give them such assignments. If the soldiers performed their assignments quickly and correctly, they would be rewarded by their supervisors; if not they would be disciplined. Everyone must find their own way of achieving the prescribed norms. Those who are lucky can ask for it and those with money can buy it, while others in difficult situations must break the fence and then be disciplined.

Due to the conditions of primary units, many tasks can be difficult to handle. At times, even though soldiers were known to have violated prohibitions, their violations had to be silently overlooked because of a dilemma, since clear assignments had been made by higher echelons and soldiers found it impossible not to fulfill them. For example, in quarters A and B, the construction or demolition of certain houses must be completed, N percent of living quarters must be secured, and H amount of timber for bed boards must be obtained. However, the unit's budget in terms of supplies and raw materials is insufficient. The slogan of self-sufficiency is linked to no material and no technical equipment. As a result, when one is at the end of one's rope, one can easily become reckless.

One of the requirements of soldiers should be mentioned here. That is the requirement of strictly obeying higher echelons' orders and directives—absolute obedience without arguing. This is a very rigorous requirement of soldiers. This is the very reason why we should realize the heavy dependence of primary units on higher echelons. This is also a law for the system to survive.

We used to say that the poor situation in primary units was due to the fact that Army cadres' knowledge is low in several respects. We can cite as concrete evidence newly graduated officers who have never been enlisted men

and have no troop management ability. Political cadres who at one time were enlisted men or squad leaders were sent to school for 10 months at the Army corps and military region headquarters, and then returned to be assistant political officers in companies. They were unable to give political lectures and had no ability to assume the positions of party secretaries. This fact is true and is really taking place in primary units. However, such situations are not caused by the primary units but by higher echelons.

In order to resolve the problem of cadre contingents in primary units we sometimes must consider the recruiting criteria and regulations in officer training schools, or study again the various systems and plans for cadre training and redetermine the contents, programs, and methods of training, educating, and forging cadres in the network of Army schools.

When asked about the ability and responsibility of cadre contingents, nearly all officers have clearly realized their weaknesses as compared to the requirements of their duty. Nevertheless, they all said that primary units are very busy and even though cadres in primary units turn around like propellers or the hands on a clock, they still cannot meet the requirements. They have no merit but are easily subject to disciplinary action.

In the present situation, the procurement of food alone for troops has already taken all their time and effort. Each month there are millions of dong in excess food allowances for troops but there is nothing to ensure the standard rations for troops. There is not even enough rice and salt. In life, shortages of food would normally engender many adversities and not merely disciplinary problems. Where do the problems lie? The rear service

sector cannot secure enough food; no food reserve is available in localities; and the transportation sector is short of facilities. This is where the problems come from; from higher echelons. Primary units themselves cannot resolve the problems, and the conditions for encroaching on discipline continue to press them.

Obviously, higher echelons cannot be held responsible for everything. In reality, there are problems caused by and to be resolved by primary units as self-sufficient bodies. However, generally speaking, they are not mainly or merely caused by primary units. Although events and phenomena take place in primary units, the underlying causes, the most decisive factors lie with higher echelons.

Proceeding from the above-mentioned points, I would like to conclude that every echelon in the Army, from the Defense Ministry down, depending on their functions and duties, must see clearly their responsibility to primary units, look to primary units, and concentrate on cooperating with primary units to resolve problems, overcome outstanding weaknesses, and improve the situation.

SRV Delegation's Activities in Beijing Reported
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[Text] Hanoi VNA Oct. 29—A Vietnamese delegation attended an International Conference on Creation and Support for Inventive Activities held in Beijing from Oct.10-14 with assistance from the United Nations Development Programme (UNDP).

While there, the Vietnamese delegation visited China's State Patent Office and was received by its general director.

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